



Setting New Standards

2012 Annual Report



We are trendsetters. We are redefining standards in our industry. We are Media Prima, Malaysia's leading fully integrated media company. Where we go, others follow and as industry leaders, we are at the forefront of innovation. We think out of the box, we deliver exciting content and with focus and determination, we will ensure that we are always a few steps ahead of the rest of the game.

In line with this year's theme, Setting New Standards, we will keep moving on to bigger and better things by setting and meeting the highest standards of excellence in all our endeavours.

MALAYSIA'S LEADING FULLY INTEGRATED MEDIA COMPANY

Audience satisfaction is paramount to ensure the success of our multi-platform media business and having the best tools in assessing program performance and content quality is what enables Media Prima Berhad to continuously set the trend. Getting to know what matters most to our audience – how they spend their time consuming media content, what time of day and how long do they stay glued to their television screens and other lifestyle choices – remain the focus of how audience research is conducted in order to produce top-rated content for our television channels; TV3, ntv7, 8TV and TV9.

It is Media Prima Berhad's strategy to drive viewers to the station and ratings being the guide to managing and scheduling our programs. Take the case of top rated music awards show the Anugerah Juara Lagu which combines a whole package of success with the right theme, choice of hosts, production treatment, originality and freshness of the content. In other words, good content comprises 50 percent of the formula for success.





TV3 hit the highest rating of 6.4 million viewers through Anugerah Juara Lagu 2012



In 2012, NST became Malaysia's first talking newspaper. A recorder was placed inside the hardcopy version of the newspaper to play advertisement soundbites. In the same year, NST, BH and HM introduced digital paper which allowed readers to read the newspaper on tablets and mobile phones



Big Tree rolled-out Malaysia's first digital media formats in LRT hubs (Rapid KL Kelana Jaya Line and Ampang Line Stations)

The first LED trimmed light boxes in the country rolled-out at the KLCC Convention Centre – KL Pavilion Elevated Walkway Won the Out-of-Home Company of the Year 2012 by Advertising+Marketing Magazine Malaysia



The formation of Media Prima Digital led to the birth of the nation's largest integrated digital media unit



Primeworks Studios is the largest content-creation company in Malaysia, producing internationally-acclaimed movies and films



Hot FM Regionalisation to Kelantan and Terengganu materialised on 2 January 2012 with localised content and music

Facts at a Glance

"WE HAVE AND MUST CONTINUE TO CREATE **CONTENT THAT CONSUMERS INCREASINGLY WANT ACROSS THE WHOLE SPECTRUM OF MEDIA.**"



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We have every reason to be irrationally exuberant – we hit the RM2 billion revenue mark last year. Considering 2012 was a relatively “difficult” year by any standard, it was an achievement that we ought to be proud of. Almost all our platforms were doing better than expected, in fact New Straits Times Press (NSTP) achieved the best ever results in its 168-year history, so too our TV and radio networks. The rest registered better-than-expected performances compared to the previous year.

It was an incredible journey with many challenges and seemingly insurmountable odds, but not only did we prevail but we bettered ourselves, year on year, soldiering on in difficult times and cruising along when things were better. There were in fact many more difficult times than better ones and many more obstacles than we can possibly imagine.

We are not an “ordinary” company, we always remind ourselves. We are a niche company. There are not many companies listed on the Bursa like us. We deal with different kinds of products and services. We don’t pride ourselves in having landed properties or managing other people’s money. We are in the media business. A business so specialised that we need to specialise in order to survive.

This is a different terrain altogether. Media is probably one of the most challenging businesses the world has ever known. Remember, a media baron famously once said, 30 years ago there

Chairman’s Statement

SETTING NEW STANDARDS

And Creating a Conducive Ecosystem

We have certainly come a long way. When Media Prima Bhd (MPB) came into the picture in 2003, little did we imagine our journey would be this exciting. Neither did we anticipate being in the league of an elite group comprising top 100 companies listed on Bursa Malaysia. It has been a long and arduous process, littered with challenges, one filled with tears and sweat, lots of dedication and tireless commitment by all – from the board members to the management and staff.

were more than 50 mega media companies in the world. He predicted that in the near future there will be hardly five global media players as a result of market “realities”, new expectations or simply the faltering of once-established companies. Media companies got gobbled up, involved in painful mergers and unwanted acquisitions. In many instances even two is a crowd.

We pride ourselves as being the largest and truly, the only fully-integrated media company in the land and perhaps in the region today. We are a media powerhouse unlike any other. And more. Our outfit is beyond the traditional definition of media. We would like to believe that our media assets are unique and special, thus prized and revered. We also pride ourselves as a major player in the creative content industry – probably the most challenging, robust and demanding today.

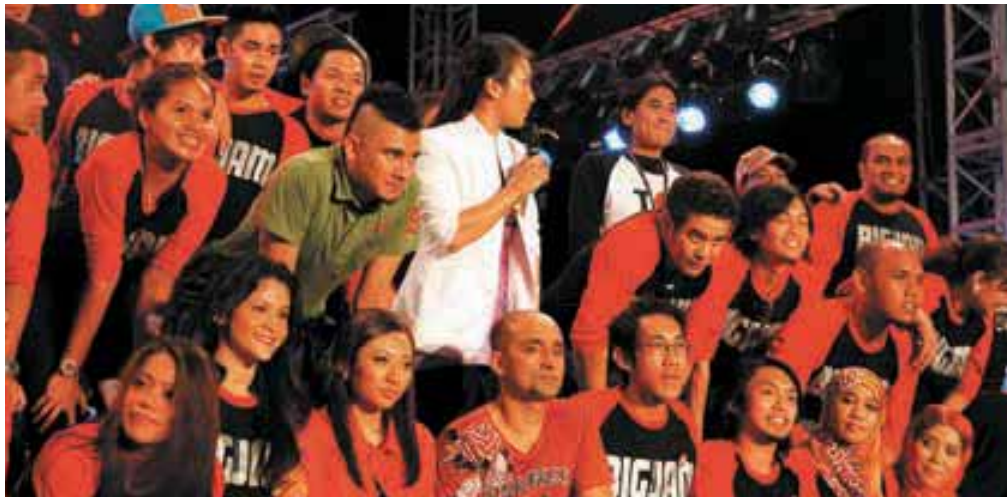


DATUK JOHAN BIN JAAFFAR
Chairman



Media Prima Berhad

Chairman's Statement



To us, content is king; and with content, creativity is everything. It is our hallmark as much as it is our survival. To us, creativity equals survival. When the *Straits Times* first appeared in 1845, it was one of the best things that happened to Malaya, intellectually. It was the first newspaper in any language. The first newspaper in Bahasa Melayu, the *Jawi Peranakan* was published in Penang but 51 years later, *The New Straits Times (NST)*, as it has been called since 1965, survives until today because it is niched, different and always ready to move on with times. It has gone through numerous editorial leaderships, but the newspaper sticks to the principle that, to survive, it must adapt. It has to make adjustments – design and content-wise. In short, it has to be forever creative and innovative. And stick to the principle that a newspaper is above all, not just about news and features, but design too.

When TV3 made its full transmission debut on June 1st 1984, it made waves naturally. It was new, young and beautiful. It was like a morning mist – refreshing and cool. It was a welcomed alternative to the existing channels available at the time. TV3 has never looked back. It is our proud asset, in fact, one of our flag bearers together with our newspaper products. As I mentioned in the commemorative publication of the 25th Anniversary of the station, "TV3 has certainly come a long way from its humble beginnings at Jalan Liku (Bangsar) to where it is now at Sri Pentas." I did mention that creation of content will be the key to TV3's survival in facing daunting competition in the future.

Besides television, radio and newspapers, we have other assets as well. We own the largest outdoor advertisement company, painting the nation with colours and designs on huge billboards, in buildings, on trains, even in car parks. And we do it tastefully, with style and finesse and creatively. Our clients know why they trust us – we give them value for money. We give them the edge that others cannot provide. We give them the best alternative and

solution to promote or sell their products. Because traditional billboards or electronic ones mean little without the right content and the way it is presented.

Content. That is the key. In Malaysia, it is believed that the creative content industry is worth RM16 billion employing 45,000 people, generating revenue of RM9.4 billion and contributing up to 1.27 per cent of the National Gross Domestic Product. (GDP). More importantly, it has massive potential and abundant opportunities. Its growth has been explosive to say the least.

Take the case of film productions. I believe the number of movies produced in 2012 (103) was the highest ever in the history on this country, surpassing many times the number of films made during the golden era of Malay movies in the late 50s and 60s. Box office takings grew threefold in the past 5 years alone, rising above the magical RM100 million mark with admission numbers more than doubling and production costs more than quadrupling. Similarly, the number of television productions has grown exponentially, thus seeing an overall explosion in the number of production houses.

We believe strongly that content is a commodity now. Remember, content is now platform-agnostic in nature or "cross-platform" or "trans-media." And content too is consumed "together" across multiple platforms. In our lingo, content is now consumed in a "how-ever", "where-ever" and "when-ever" scenario.

But we acknowledge the fact that the Malaysian domestic market is relatively small to cater for real growth potential. It is a case perhaps of too many fishes in a small pond syndrome. For now, despite Malaysia's creative content industry generating revenue worth RM9.4 billion, it is nonetheless a drop in the ocean in relation to the estimated RM1.2 trillion for the Asia-Pacific region or the staggering RM4.5 trillion globally.



These are the new “realities” that we have factored in for our future plans. While we are currently spending more than RM200 million a year on programmes, we have set our eyes for the export market too. We believe the future in creative content industry is to go global. In short, we have to look out for opportunities to take advantage of in the ever growing market for content.

We learnt in earnest the Korean way of promoting its cultural content. We envy them for redefining “Brand Asia”. The Koreans are taking advantage of the “Asian consciousness” and the new sense of pride among young Asians about their “Asian-ness”, thus embracing with enthusiasm and glee the Korean wave or *hallyu*. Someone mentioned aptly about the “scent of Korean contemporary culture” – it is hitting the world like a tsunami. From its phenomenal solo singer to groups, from TV dramas to movies and of late, the Psy phenomenon (rapper Park Jae-Sang) whose music video, *Gangnam-Style* is the first to hit the 1 billion views on YouTube, the Korean way, is, the way to go.

Besides, we acknowledge the fact that Asia on its own has massive potential. This continent is home to more than half of humanity (3.6 billion people). At MPB, we believe in learning from others, in networking and in regional collaboration. We continue to work with our strategic partners in Singapore, Indonesia, Taiwan and China and we hope to make a mark regionally. Of course, we eye the global market enthusiastically too.



I am proud to add that our production company, Primeworks Studios, the country’s largest, is placing great importance in not only producing more than 6,000 hours of content every year for our TV networks, but eyeing the regional and global market as well. This is one production house brimming with young, creative talents, ever ready to prove their worth. “Ideas” is the catchword you will see all around. It is ingrained in them that to compete, they have to be ahead of their pack. And they must lead.

In short they have to produce or commission a steady diet of highest-quality dramas that viewers would not be able to find elsewhere as well as documentaries that are classy, clever and watchable. And we are taking the position that in order to achieve that, we have to spend. In fact we have allocated more money for programme development – television equivalent of R and D – in 2012 than ever before.



Chairman's Statement

At MPB we believe in providing the right ecosystem to support the army of creative talents and workers that we have. Creating a conducive ecosystem is critical for a company like us. After all, we are dealing with creative people, not the factory-line system where all products must be created equal. We support the government's view that in order to produce a globally competitive, creative and innovative workforce, we have to create the right ecosystem. In fact, the culture for innovation is a critical element in one of the eight core values of the *1Malaysia* principle.

Perhaps it is a cliché to speak about thinking "out of the box". Seriously, to us, it is forever relevant. In the industry that we are in, we like to pride ourselves as niche-busters, not just thinking about creating blockbusters. We need killer programmes. We need TV events that will forever etched in the consciousness of the people. We need more *Jejak Rasul*, now in its 17th year (debuted in January 1996), probably the most successful documentary programme in the history of this nation. We have series like *Wanita Hari Ini*, *Nona*, *Majalah 3* and *999* which are signature programmes for TV3 and TV9's religious fares, *Raudah Dihatiku*, *Tanyalah Ustaz*, *Tanyalah Ustazah* and *Halaqah* with their massive followings. More importantly, these religious programmes portray Islam as a progressive religion in line with the middle path – *wasatiah* – taken by the government.

In a niche market, perhaps we need the idea of boutique TV too. Or a radio station with a difference. We have proven how we propelled the outdoor advertisement company to greater heights by setting new standards. And placing the importance of content in our best selling newspaper, *Harian Metro (HM)*. We have proven how some of our TV programmes have survived the test of times. And how our highly rated *Buletin Utama (BU)* at 8.00 p.m. has massive followings night after night. Or some of our newly launched dramas and documentaries are making viewers glued to the box.

"Setting new standards" is the mantra we have set ourselves to achieve. The truth is we have no other choice. We have been leading in almost all our platforms. We lead the newspaper business in terms of circulation numbers and readership with our newspapers. *HM* is

currently the biggest selling newspaper and read by at least four million readers every day. TV3 is still the leader in the broadcast realm, garnering a respectable 26% of total TV viewership. ntv7 is the number one urban TV channel and 8TV is the most watched Chinese channel. TV9, despite being new, is carving its own name and redefining a niche market of its own. It is the younger version of TV3, but at TV9, they like to see themselves as a station in its own right, with a nuance, style and look that is uniquely theirs. While TV3 caters for the mass market, TV9 positions itself for a younger, hipper and stylish Malay audience.

MPB has been experimenting with the utilisation of all platforms in providing content, a possibility of consuming them in a "how-ever", "where-ever" and "when-ever" manner as mentioned above. It is in fact seeing results. The collaboration between print and broadcast journalism, radio and TV and online and social media applications has in fact rewritten the rules of engagement in the mediasphere.

Just look at our *Tonton*, another proud addition to our digital media alternatives, overseen by Media Prima Digital. Since officially launched in August 2010, it has developed into a world-class viewing experience. It heralds a new dimension in digital media space. We too were surprised as to the response to *Tonton*. Currently it has over 2.8 million registered visitors and we believe it is the hottest video portal in town. *Tonton's* technological features are superb and little wonder with a 28-year library of TV3 programmes and latest offerings from all over the world, not to mention made-for-*Tonton* content that it continues to lead. It is also available on smart devices. *Tonton* is a must-watch portal and is testimony to MPB's investment in its belief in a future where content is to be available anywhere, anyhow and anytime to everyone.

We are proud of the fact that, at any time of the day, our products, contents and services are watched, seen, heard and surfed. We like to say, we reach out to 25 million Malaysians every single day.

That is our mark of achievement. Our totem pole of excellence. The standard that we set for ourselves.



But we remain very much grounded to reality. The viewers, readers, listeners, surfers of the Internet, our clients and stakeholders are the ones judging us and defining us. To ensure we are ahead of our competitors and remain relevant, we cannot be complacent. We have to look for other avenues, opportunities and chances. We have to leverage on our strength, our history, our position and competitive edge and advantage. We have to look elsewhere, so as not to harp on tested formulas and winning solutions of old.

We have to look at “recognisable niche”, not something high-brow and elitist, but something about constructing areas of expertise that we are good at. We have been producing dramas since TV3 started 28 years ago. But there is a sea-change of attitude towards dramas as time changes. We have to adapt. We have been producing documentaries since the first days of TV3, but people want different kinds of documentaries these days.

We know where our strengths are and we realise that we are not immortals neither are we the lords of the media realm forever. To us, how people react to our entertainment shows matter as much as how they respond to our ground events. We have been registering unbelievable numbers in shows like *Anugerah Juara Lagu (AJL)*, *Anugerah Bintang Popular Berita Harian (ABPBH)* or *Anugerah Skrin (ASK)*. Many of these programmes registered more than 6 million viewers, not to mention those watching live streaming on our portals or listening on radio. And we are proud about two of our largest ground events – *Karnival Jom Heboh (KJH)* for TV3 and *Yuan Carnival* for ntv7. KJH is the country’s biggest ground event, now in its 10th year and still attracting hundreds of thousands visitors at every venue. KJH is a family-based event that brings TV3 to the people. But KJH is more than that, it has become a catalyst for the recognition of small and medium enterprises (SME) brand names. *Yuan Carnival* is smaller in scale, but it is fast becoming the most anticipated ground event for the Chinese community.



Chairman's Statement

We at MPB, never take things for granted. Little things matter to us – the remote control for TV for instance – which I like to joke is the greatest human creation after the invention of the wheel. Seriously, viewers have numerous choices. And they decide by the rule of the thumb, literally. Five seconds can be an eternity on TV, viewers with the formidable arsenal of all, the remote, would simply change the channel at the slightest “irritation.” Imagine, they have a choice of at least 170 channels today, not just the four Free-To-Air TV channels offered by us.

That is democracy at work. They do not like what they watch, they change the channel. They are not entertained, they press the “OFF” button. Just like that. So, from our perspective, not only is the content important, but how the content is being viewed is equally important. Thus, the programming, timing, the advertisement or the Public Service Announcements (PSAs) all have a bearing on the decision to change channels. Viewers have little patience these days. To sustain their interest is not easy. We are always mindful of that.



It applies to the print media as well. NST, BH and HM are not just competing with other mainstream publications but online newspapers, blogs, citizen journalism, even the social media. News is not the exclusive right of newspaper organisations anymore, it is democratised to a state beyond recognition – which is good, for a vibrant and free press entails a more vibrant, free society. People's Power is showing its presence within the news gathering and news dissemination processess. We welcome the changes; in fact, we have readied ourselves for the alternative realm.

Our MPB Digital, revitalised and rejuvenated after the merger of NSTP e-Media and Alt Media, had paved the way for the digital migration and online applications using the all-encompassing devices – from tablets to smartphones. Just check how NST, BH and HM are being packaged in a new, bubbly, hip and chic format in the latest state-of-the art devices.

At MPB we subscribe religiously to corporate governance and good practices in getting things done. We have another reason to be on cloud nine for MPB won the *Asiamoney* 2012 Best Overall Corporate Governance category for the second year running. Not only that, we were voted Best for Disclosure and Transparency, Best for Responsibilities of Management and Board of Directors, Best for Shareholders' Rights and Equitable Treatment and Best for Investor Relations. As I have written to the management and staff, to win once is a major achievement and a milestone, but to win it again is difficult for me to describe in words. We are also happy to know that the Minority Shareholders Watchdog Group (MSWG) has always rated us highly as far as transparency and good governance is concerned.

I am further proud to announce that MPB is participating in the Certified Integrity Officers (CeIO) programme initiated by Malaysian Anti-Corruption Commission (MACC). It is an accredited integrity programme coordinated by the Corporate Integrity Development Center of the MACC.



We also garnered many other awards and accolades over the year. On the platform front, categories such as Malaysia's Most Valuable Brand 2012 – TV3, Putra Brand Awards 2012 – TV3, Kuala Lumpur Film Critic Awards 2012 – Best Cinematography- Haris Hue Abdullah for the movie *Songlap* and Malaysian AIDS Council Red Ribbon Media Award 2012 – Outstanding Achievement in Broadcast Media Category (Primeworks for Rancangan 360) are just to mention a few.

As a caring corporation, corporate social responsibility (CSR) initiatives have always been one of our pillars. Our *Briged Sukarelawan Media Prima-NSTP*, comprising volunteers from our employees, continues to do us proud in providing aid to thousands of victims affected by calamities in various humanitarian missions.

In 2012, in addition to the numerous flood relief missions, our volunteers have also been involved in many other CSR initiatives such as blood donation drives at Sri Pentas in conjunction with the World Blood Donors Day by Malaysian Red Crescent Society and medical outreach programme "*Sayangi Jantung Anda*", a project in collaboration with Institut Jantung Negara (IJN).

In addition, MPB has recently launched *Tabung Bencana Banjir Media Prima* to help those in need during the flood season. We have also launched *Tabung Kemanusiaan Palestin* during *Karnival Jom Heboh* in Kuantan, Pahang.

Our efforts received due recognition when MPB received the CSR Leadership Award at the 2012 Asia Pacific Young Business Convention (APYBC).

Thus I am proud to be part of this exciting and vibrant company. I am sure my fellow board members feel the same. MPB is a rainbow of colours that is made up of what we, Malaysians, are. We are a manifestation of a true Malaysian brand – reflecting the spirit of *1Malaysia* in more ways than one. This is one company that truly reflects the diversity of this nation. We all thrive for the best, to be the best and achieving the best results; as one, as a team, together.

I must congratulate my fellow board members, including those in the NSTP and other subsidiary companies, who have been instrumental in guiding the company in this long, exciting journey. Their guidance is much appreciated.

Most of all I would like to commend the leadership of Dato' Amrin Awaluddin, our Group Managing Director (GMD) for ensuring the MPB sails through effortlessly even in trying times. He is a man of integrity, whose tenacity and dedication are legendary, setting an example of what commitment is all about. I must also congratulate the executive directors, the senior management and all the staff for their support and tireless dedication. These are our prized assets – they are among the best, many of them are the cream of the cream in the industry.

More importantly, these accomplishments were achieved through teamwork. Together, they have raised the bar for excellence. As a team, they will continue to achieve better results. The Malays have a saying, "*bagai aur dengan tebing*". At MPB, they subscribe to that proverb. They too believe in an African proverb, "*if you want to go fast, go alone, if you want to go far, go together*".

God willing, they will go far, together, and in doing so setting new standards for others to follow.

DATUK JOHAN BIN JAAFFAR

Chairman

Media Prima Berhad



Group Managing Director's **Statement**

THE MEDIA GAME CHANGER

Media Prima Berhad, is Malaysia's leading fully integrated media investment group with businesses in television, radio, the print media, outdoor advertising, content creation and online media.

It owns 100% equity interest in four leading free-to-air (FTA) Malaysian TV channels – TV3, 8TV, ntv7 and TV9 – which together command 44.2% of Malaysian TV viewership. It also owns three radio networks – Fly FM, Hot FM and one FM – which combined account for the second highest number of radio listeners in the country.

In the print media, Media Prima has more than 98% equity interest in The New Straits Times Press (Malaysia) Berhad (NSTP), Malaysia's largest publisher with three leading national newspapers in its portfolio – the *New Straits Times*, *BH* (formerly *Berita Harian*) and *Harian Metro*.

The Group also owns the country's largest outdoor advertising company, commanding 44% of the market. In Big Tree Outdoor Sdn Bhd, which encompassed UPD Sdn Bhd, Right Channel Sdn Bhd, Jupiter Outdoor Network Sdn Bhd and Kurnia Outdoor Sdn Bhd.

Media Prima's content creation business falls under Primeworks Studios, the nation's premier content production company with a string of award-winning television programmes, movies and documentaries to its name.

Media Prima has strong presence in online through Media Prima Digital, which manages tonton.com.my, the No. 1 Malaysian video portal and entertainment and lifestyle portal, gua.com.my.

All Media Prima's operations are based in Malaysia. However, the Group distributed and produced content for the international market.

CHALLENGES IN THE MEDIA INDUSTRY

The media industry has always been competitive, requiring companies to constantly innovate to remain relevant. In this regard, there are three main challenges the industry faces.

First, competition has intensified in recent years. This is true across most media platforms. A cursory glance at the current landscape will reveal that Malaysian consumer has more television channels and radio stations than ever before. More pertinently, technology has enabled alternative delivery platforms to emerge as genuine alternatives to traditional linear delivery platforms. More and more content is available on the Internet and as a result, TV stations now compete with video aggregation sites and user generated content; newspapers not only competes against local peers, but online editions of international publications; and radio stations face the challenge of customised playlists, made easier by the digitisation of music.

DATO' AMRIN BIN AWALUDDIN
Group Managing Director



Group Managing Director's Statement



This technological shift, coupled with the growing popularity of devices such as smart phones and tablets, gives rise to the second challenge – shifting consumer behaviour. Consumers do not have to rely on linear schedules, because in many cases they can access content wherever they are and whenever they want. This disintermediation forces traditional media companies to rethink delivery models.

The third challenge is related to the global economic landscape, which continues to be affected by problems in important markets such as the United States and the Eurozone, as well as the slowing Chinese economy. Although domestic economic fundamentals have remained strong, Malaysia's open economy means that it is not completely immune to these uncertainties. In addition, businesses have during the year generally waited for the General Elections before committing to large advertising campaigns. As a result of these factors, advertising expenditure has not grown with the robustness that it could have.

While the three challenges are real and significant, Media Prima is leveraging on its key strengths as Malaysia's foremost media powerhouse and the most completely integrated media platform group in ASEAN to maintain its leadership position. We realise that we need to do what we have always done – to keep setting new standards.

FOCUS ON CONTENT

Even with the challenges posed by technological advances and changing consumer behavioral patterns. Content will always be in demand. The desire for news, information and entertainment will never be diminished.

We believe that an emphasis producing quality, relevant content which resonates with our audiences must continue to be central to our efforts. We have a track record of creating hits and building brands that accurately capture the demands and aspirations of our different audience segments. This is in part due to the fact that we see ourselves as being similar to any other consumer company – the analogy being that our products are news and information, entertainment and escapism.

Our unique selling proposition has always been *local* content. Similarly, our news gathering ability is well developed and enables us to cover events, big or small, across cities, towns and villages across the length and breadth of the country. Our reach, resources and local knowledge enable us to present information that is important to our audiences via our multiple media platforms. Localisation has always been a powerful driver that we will continue to leverage on.



As a 'consumer company' we are also focusing more intently on our marketing strategies. We are going digital hence allowing our content to be more easily accessed on the different platforms. A key development in 2012 was the digitalisation of our newspaper titles beginning with the *New Straits Times* in June and our Bahasa newspapers, *Harian Metro* and *BH* (the renamed *Berita Harian*) in July. This allows our readers to access our news and entertainment coverage at any time and on any smart device.

We are enabling our consumers to stream our TV content on Tonton, the number 1 Malaysian video portal. Tonton has currently over 2.8 million, illustrating the number of Malaysians who are watching our TV programmes and other streamed content be it on their smart phones, tablets all PCs.

Outdoor advertising has implemented digital solutions, allowing for greater creativity to capture attention and top of mind recall.

Primeworks has produced TV series, films and documentaries for other local and foreign channels. Emas, which currently airs on HyppTV, features classic programmes from our TV archives.

CREATING INTERNAL SYNERGIES

Media Prima has grown from modest origins to become Malaysia's largest integrated media company through a series of acquisitions and investments in new businesses.

In 2011, we began the integration and restructuring of the Group into six core business units, each representing a key business sector – TV, print, radio, outdoor advertising, content and digital media. In 2012, we continued the process by breaking down the barriers between the business units through various brainstorming sessions and special projects that brought together people from across all our platforms.

We have implemented the *Projek Serumah* initiative, which will enable us to optimise our office space utilisation. The initiative pulls together senior management from all six units who meet on a monthly basis. This creates amazing synergies, which allow for greater creativity and innovation, translating into better products and services for our clients and end users.

In terms of content, the cross-fertilisation of ideas from different units allows us to be truly media agnostic – our content can travel across multiple media platforms.





Group Managing Director's Statement



INTEGRATED, NON-TRADITIONAL ADVERTISING

An area in which we have successfully displayed the benefits of media integration is advertising. With TV, print, radio, outdoor, and online advertising platforms under one roof, we are able to provide bespoke integrated solutions to our advertisers, which make their advertising more effective. A testimonial of our success is the recognition accorded by the Media Specialists Association which presented us with awards for two integrated campaigns – DRB-Hicom #MySug Campaign, our own CSR campaign to unite Malaysians in our love for our homeland held in conjunction with the 55th Merdeka Day; and *Jelajah Janji Ditepati*, where, Media Prima were contracted by the Government to highlight its policy and achievements.

CORPORATE GOVERNANCE

Our emphasis is to maintain world-class standards in Corporate Governance. Our efforts have been recognised with Media Prima being named for the second year running: The Best Overall Corporate Governance for Malaysia in the Asiamoney Corporate Governance Poll 2012.

We were also awarded Best for Disclosures and Transparency, Best for Responsibilities of Management and Board of Directors, Best for Shareholders' Rights and Equitable Treatment and Best of Investor Relations.

We were the only Malaysian company to have won awards in all five categories.

OPERATIONAL REVIEW

TV

Media Prima's four TV channels – TV3, ntv7, 8TV and TV9 – cater to specific target segments and together have ensured the Group remains no. 1 in terms of market share, capturing 44.2% of total Malaysian TV viewership. Segmented by target markets, according to Nielsen Media Research – to 48.2% consist of Malay 4+ share, 47.3% of the Chinese audience, 41.6% of urban viewers above 15 years and 46.6% of all children aged four to 14 years.

TV3

Since inception in June 1984 as Malaysia's first free-to-air (FTA) television network, TV3 has maintained its leadership position by delivering bold and innovative programming to viewers of all market segments. It is today the single most watched TV station in Malaysia with an audience viewing share of 25.6% on both FTA and pay-tv (source Nielsen Media Research).

TV3 is recognised as a trendsetter in producing quality local programmes combining with the best of foreign movies, dramas, situation comedies and documentaries to offer an exceptional viewing experience to its target viewers. Its content mix of 70% local and 30% foreign programmes has proven to be highly successful, as reflected in high ratings and strong advertising support.

Paying close heed to its 'prime time all the time' strategy, TV3 leads the pack in the weekly national Top Ten programme ratings by Nielsen Media Research. Its top four programmes in 2012 were live entertainment shows – *Anugerah Juara Lagu*, *Anugerah Bintang Popular*, *Anugerah Skrin* and *Mentor Akhir* – the first two of which attracted more than four million viewers.

A bold move to bring up Akasia's airtime from 6.30pm to 7.00pm paid off when dramas such as *Cinta Itu Milikku* and *Julia* raked in impressive viewer numbers. Meanwhile, flagship magazine programmes such as *Majalah 3*, *999*, *Misi-K*, *Potret Bersamamu*, *Dunia Tersembunyi* and *Soal Jawab* remained steadfast in prime time.

Following the spectacular success of the Euro 2012 Championship broadcast in June, TV3 is set to add another milestone as AFCON 2013's official television broadcaster in the coming year. It will also continue to focus on effective corporate branding through social outreach projects such as *Tabung Kemanusiaan Palestin* and *Kami Endah (MHI)*, propelling TV3 as the TV station that serves the people in every way.

The station further reinforces its brand via on-air and ground events such as *Karnival Jom Heboh*.

TV9

TV9 has the distinction of being not only our youngest TV station, but also one of our most successful. Celebrating its sixth anniversary in 2012, it managed to retain the second spot as the most watched Malaysian FTA channel, capturing 7.8% of total viewership, by ensuring that it continues to appeal to its *Young Fresh Mass Malays (YFM)* target audience.

TV9 has kept to its successful formula of catering to the specific tastes of its target audiences, presenting them with a variety of reality entertainment, drama and telemovies as well as a mix of modern religious-themed programmes.

One of the most popular new programmes in 2012 was *Versus*, the reality programme produced in collaboration with HotFM that pitted five of the country's top bands in a musical battle to win the grand prize of RM200,000. Featuring 6ixth Sense,





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Black Parallax, Go Gerila!, Hujan and Sofaz, the programme captured 517 million impressions on the social media, with 49,000 tweets from 13 April to 1 June 2012. The Versus Final Confrontation concert programme trended at No. 1 in Malaysia via #VERSUSMY.

Meanwhile, TV9 continues to produce highly popular iconic shows such as *Idola Kecil 5*, Malaysia's No. 1 children's reality talent programme; *Tanyalah Ustadz*, a religious programme where an ustaz answers questions in a live studio setting; *Semanis Kurma*, a talk show focusing on marriage issues; the telemovies screened on *Skrin di 9*; as well as a variety of slightly more edgy programmes on the youth-targeted 9X slot.

These are complemented by ground events which served to bring the TV station closer to its fans. *Raudhah Di Hatiku*, which is a brand extension of the *Raudhah* belt, was held for the second time in 2012 at three mosques within Klang Valley. Other events included *Kita Punya Kambing Golek*, held in conjunction with Eid, during which celebrities joined the TV9 team to distribute the *kambing golek* (grilled lamb) to our loyal viewers. TV9 was also the media partner for the Twins Of Faith event, an Islamic Family Festival organised by Mercy Mission on 29 and 30 December at the Putrajaya International Convention Centre.

In an attempt to appeal to its youth audience and to also further promote a new wave of local music after the success of the recently concluded *Versus* programme, TV9 introduced *Gig Triple Play* that brought together two famous local bands in the form of indie stars-turned-mainstream forces Bunkface and Hujan (who were also winners of *Versus*), as well as Indonesian rockers Nidji, to share a single stage on 30 June. It was a huge hit as they enthralled their fans for two hours at KL Life Centre, Kuala Lumpur.

TV9's efforts at keeping its viewers and fans satisfied were recognised with a number of awards, which include the Best Special Report at the Anugerah Skrin 2012; Best Fresh TV Series for *Versus* at the Shout! Awards, and Best Morning Talk Show for *Nasi Lemak Kopi O* by the Malaysian Maritime Enforcement Agency.



ntv7

ntv7 continues to establish itself as the TV station of choice among modern, urban and progressive adults (MUPAs). Focusing on both Urban and Chinese audiences, the station maintained its strategic mix of 'feel good' local and international programmes to keep its viewers seeking for more.

2012 was a rewarding year for ntv7's viewers and advertisers as it took on more bold ideas which allowed the channel to maintain as one of the country's preferred channels, capturing 4.9% of total TV viewership in the country. More significantly, it retained its second spot in the Chinese segment with 17.6% of total Chinese viewership.

During the year, ntv7 spearheaded in three successful exclusive campaign tie-ins. These included *A Galaxy of Love*, for which it was the official broadcaster for the wedding of badminton star Dato' Lee Chong Wei; *Will and Kate: The Malaysian Tour*, celebrating the historic visit of the British royal couple; and *James Bond Movie Marathon and Skyfall Movie Gala Premiere*, celebrating the 50th anniversary of the James Bond movie franchise in the countdown to the premiere of the latest Bond film.

ntv7 also supported the Group's efforts via programmes such as *Impian Emas Negara*, upholding the nation's hopes of achieving Malaysia's first Olympics gold and *EURO 2012* which aired live and delayed telecasts of the UEFA European Football Championship matches on TV3 and ntv7.

In terms of ratings and recognition, *Will and Kate: The Malaysian Tour* from 9-16 September reached out to over 5 million viewers while the 2nd Golden Awards achieved a total viewership of 1.2mil for its Red Carpet and LIVE show. ntv7's 1st Chinese reality drama – *The Game* – also ranked No. 1 amongst all Chinese shows on Merdeka eve with almost 700,000 viewers. With less than two years since its debut, women's talkshow *Bella* was named the "Best Talk Show" at *Anugerah Skrin 2012*.

Meanwhile, ntv7's ground activities such as the annual Yuan Carnival and Feel Good Run gained in popularity. The charity fun run, held for the second time in 2012, attracted the participation of over 80 celebrities and raised RM142,800. Similarly there were high turnouts at each of the eight Yuan Carnival venues in Selangor, Kuala Lumpur, Penang, Perak, Negeri Sembilan, Johor, Sabah and Sarawak.

8TV

8TV began the year with a bang as it celebrated its eighth anniversary on 8 January 2012. It was followed by strategic programming and ground activities to further establish itself as Malaysia's hippest TV station and the No. 1 Channel of choice for the urban youth and the Chinese audience in Malaysia.

Living up to its 'We Are Different' tagline, 8TV received the best possible eighth anniversary gift by winning eight awards at the Golden Awards. These were for Best Drama, Best Director, Best Original Screenplay, Best Drama Theme Song, Best Variety and Entertainment Programme, Best Variety and Entertainment Programme Host, Best Magazine Programme Host and Most Popular TV Host/Presenter. Later in the year, it won the Favourite TV Programme Award for Showdown 2012 at the Shout! Awards.

8TV also consolidated its position as the fastest-growing network in its target market, garnering over 8.5% of urban viewership and over 25.8% of Chinese viewership. It remained the country's most watched TV channel among Chinese audiences and the second most watched channel among urban viewers. It also achieved the highest viewership during the Lunar New Year celebrations, attracting an impressive 30% in viewership ratings.

2012 marked the third year in which 8TV together with The Malaysian Retailer Chains Association (MRCA) celebrated the achievements of Malaysian entrepreneurs in the MRCA 8TV Entrepreneur Awards 2011.





Group Managing Director's Statement



8TV also continued to leverage on ground activities where its 8TEAM promoted the channel's line-up of shows, gave away goodies and entertained the public with banter and games. Among the events held during the year were the *8TV Chinese Carnival*, *8TV on the Street*, *Showdown Street Fest* and *The Best in the World Food Bazaar*. In addition, lucky fans of *The Secret Circle* and *Desperate Housewives* were given the special privilege of viewing the show before anyone else at respective viewing parties. In effort to inspire, educate, awaken youth and build the future of the entertainment industry, 8TV structured a day to celebrate MUSIC, TV, FILM, FASHION and ART. In line with the Shout! Awards, **THE SHOUT! MOVEMENT** saw youth congregate under one roof to inspire and to be inspired. With key people in the industry sharing the tricks of trade through workshops, networking sessions and talks, the SHOUT! MOVEMENT is and will continue to be a stepping stone for the next generation of talent.

In its efforts to create a brand new drift, 8TV also collaborated with the Hands Percussion for its 8TV 8th anniversary drama. For the first time in Malaysia, a drama inspired by the art of Hands Percussion is brought to screen. THE BEAT showcases the rich and colourful Malaysian culture, as well as artistic drumming performances incorporated with contemporary theatrical drumming. 8TV also carried out the 8TV Newscaster Camp, in which young aspiring news presenters were given the opportunity to learn about the profession from the mavens of the news team.

PRINT

Media Prima's print platform, The New Straits Times Press (Malaysia) Berhad, publishes three leading national dailies – the New Straits Times, the country's oldest English language newspaper; *Harian Metro*, which enjoys the largest circulation and, as of 2012, the largest readership among all newspapers in the country; and BH, which reaches out to all readers with its tagline 'Merentasi Generasi' (across generations).

In 2012, we retained our market leadership position with the largest total circulation and readership in Malaysia. Our Malay and English newspaper titles reach out to more than 4.5 million readers daily.

Harian Metro

Harian Metro continuously innovate to meet the expectations of its targeted readership of progressive Malaysians, focusing, in particular, on Malay youth aged 18-39. As a result, it has maintained its No.1 position in terms of readership and circulation in the Malay newspaper category. The paper has an average circulation of 394,000 copies and is read by 3.3 million Malaysians daily while the Sunday edition, *Metro Ahad*, has an average circulation of 434,000 copies and a readership of 3.7 million.

In keeping with trends affecting its readership demographic, on 30 March 2012, the newspaper launched M magazine, a 24-page weekly pull-out in *Metro Ahad*. The pull-out has a contemporary feel and covers topics relevant to its readers such as fashion, personal care, lifestyle and personal finance. This was followed by the launch of the digital edition of the newspaper on 1 July 2012.

To reinforce its youthful brand image, the newspaper organised *Karnival Futsal Harian Metro*. *Karnival Futsal*, one of the biggest and most recognised futsal events in Malaysia, attracted 1,500 futsal teams and over 12,000 players from around the country. Other ground activities held to build greater brand awareness included *Gempak Santai* and *Harian Metro's* sponsored team in the Petronas AAM Malaysian Cub Prix 2012. *Gempak Santai* is a loyalty programme to reward readers through the redemption of mastheads for theme park tickets. 170,000 tickets were given away to readers at four venues.



BH

The year was significant for Berita Harian, which celebrated its 55th anniversary with a comprehensive rebranding. As of 15 June 2012, the paper that caters to Malaysians from all walks of life is called BH, complete with a more vibrant logo, layout, typography, pagination as well as enhanced content focusing on exclusive stories, education, entertainment as well as lifestyles and community.

The rebranding included the renaming of Berita Minggu as BH Ahad. To remain relevant to current readers and at the same time appealing to younger readers, new segments have been introduced such as Jejak, Fokus 5 Soalan and Meoww. BH Ahad's pull-out features popular celebrities as columnists.

To reinforce its positioning as the paper for everyone of all ages, income levels, lifestyles and demographics, BH also features a new tagline, 'Merentas Generasi' (across generations). This is supported by its availability as an e-paper on tablets, mobile phones and online. On 15 June 2012, a digital edition of BH was launched.

Awareness of the rebranding was launched with a national marketing campaign featuring 'BH Satu Untuk Semua' (BH, One for All), leveraging on Media Prima's multimedia platform from print to TV, radio, outdoor and online. The newspaper also organised Fiesta BH at Taman Tasik Titiwangsa, Kuala Lumpur that featured Special Joran, Malam Puisi Riong, a mini concert, games and booths for key editorial units.

BH continued with other ground programmes that have earned it a special place in readers' hearts, such as Anugerah Bintang Popular BH 2011, Pencarian Selebriti Chef 2 BH and Grand Prix Joran BH.

As a result of marketing and content-related efforts, the latest Nielsen Media Index showed BH recording an increase of readership from 1.035 million (2011) to 1.048 million (2012), against the downward trend of readership among newspapers in general.

New Straits Times

New Straits Times (NST) is the country's oldest English language newspaper which today offers in-depth news coverage for public and corporate sectors, intellectuals, young professionals, students and those who seeks different perspectives. In keeping with its brand positioning of a 'Sharper Read', NST constantly injects its contents with fresh ideas that extend to its advertising offerings. On 21 February 2012, it became the country's first 'talking newspaper' by attaching an audio box containing a 30 second commercial to an advertisement within the pages. The paper also launched its digital edition on 15 June 2012.

On 14 June 2012, NST produced School Times, a 40-page pull-out every Thursday providing general knowledge, creative content and worksheets in English for primary and secondary school students, in line with the KBSR and KBSM English language syllabi. Meanwhile, Business Times was enriched with a new Media and Branding section every Friday beginning 19 October 2012.

Catering to loyal motoring fans, NST launched its inaugural New Straits Times-Shell Rimula Truck of the Year Awards on 31 October 2012. This complements its New Straits Times Maybank Car of the Year Awards, New Straits Times Maybank Car of the Year Auto Show and New Sunday Times Motor Hunt. Other prominent events included RHB New Straits Times National Spell-It-Right Challenge, New Straits Times Streets Race and CEO & Celebrity Charity Tennis.

The Nielsen Media Index also showed the NST readership in 2012 for the age group of 30 to 39 had increased to 69,000 per issue as compared to 46,000 in 2011, a jump of 50 per cent. Other significant achievements are the increase of readership among Chinese readers, from 54,000 to 73,000 and PMEB (professionals, managers, executives and businessmen), from 110,000 to 144,000.



Group Managing Director's Statement

RADIO

Media Prima's radio networks comprises three brands – Fly FM, Hot FM and one FM. Together, our radio stations capture the second largest listenership of all combined Malaysian radio stations.

Fly FM

Fly FM maintained its reign as Malaysia's No.2 English language radio station. Research by Nielsen shows that its exclusive audience increased by 150% from 36,000 to 90,000. Fly FM has also achieved 12% increase in listeners of Malaysia's Hottest Music segment which airs at 10am-1pm on weekdays, a 20% growth in listeners from households with incomes of RM5,000 and above and a 15% increase in listeners from households with incomes of RM8,000 and above.

In March, the *Pagi* Rock Crew fronted by Prem and Hafiz went on an Outdoor Broadcast road trip along the length of Peninsular Malaysia in an effort to fulfil a special bucket list as well as to get closer to listeners.

Another announcer, Hunny Madu, made her mark by being chosen as one of the main hosts for the new reality programme *Versus* and being named The Coolest Radio Announcer at the Shout! Awards 2012. This was the second time a Fly FM announcer has won in the category, after Phat Fabes claimed the title in 2010.

In August, Fly FM announcers produced a Gangnam parody titled *Super Kampung Style*, which made headlines and gained 1 million views in less than two weeks. Subsequently, in conjunction with Merdeka celebrations, Fly FM organised a special Outdoor Broadcast at Dataran Merdeka on 31 August 2012 along with a flash mob of loyal fans.

Fly FM further strengthened its ties with listeners by hosting a Raya Open House on 30 August 2012, which was broadcast live from the venue, Juemp D Ramo in Bangsar.

In September, Fly FM together with New Straits Times challenged their listeners/readers to take part in a campaign called Paranoid Activity. Winners were those who were willing to execute a challenge at the lowest bidding price. A total of RM40,000 was given out to the successful participants.



Hot FM

Despite the fierce competition with the Malay segment, Hot FM expanded its operation by launching two regional stations in Kelantan and Terengganu, called Hot FM Kelate and Hot FM T'ganu, on 2 January 2012. Offering localised content and music, the expansion proved successful with 19% increase in listenership in these two states by year end, according to a survey conducted by Nielsen.

Based on similar survey, Hot FM is the number one radio station among listeners under 25 years old. A further 16% growth in listeners in the major markets was achieved by the weekday Hot FM AM Krew and Carta Ulat Buku shows from 6am-10am and 8pm-midnight respectively, which merged as the number one breakfast and night show among the 18-24 demographic. Hot FM also gained a 38% increase in number of listeners among households with incomes of RM8,000 and above, as well as an increase in Time Spent Listening (TSL) from seven hours to nine hours per week.

In April, Farah Fauzana and Faizal Ismail won their fifth consecutive wins as the most popular male and female radio announcers at the *Anugerah Bintang Popular Berita Harian 2011*. In addition, the Hot FM AM Krew was named the Favourite Radio Show at the Shout! Awards 2012 for the second time in a row for the latest content show namely *Top 5 Panggilan Hangit*.

As part of the integration efforts, Hot FM collaborated with TV9 to produce one of the biggest reality programmes in Malaysia, *Versus*, featuring five local bands battling each other to bag RM200,000. The two-month programme began on 24 April 2012 on TV9 and Hot FM simultaneously and ended on 1 July 2012. Hot FM also collaborated with TV9 in *Ramadhan Raya* promos which included a telemovie special, *Hangitnya Raya*, featuring Hot FM announcers in the main cast.

Riding on the football fever, Hot FM together with Fly FM and TV Networks' Bananana! organised a special event called Super 8, which encouraged kids below the age of eight to develop their football skills. The event saw 32 teams competing and the winners go home RM3,000 richer.



After the station's official Facebook fan page was hacked, Hot FM managed to gather 1,000,000 fans on Facebook in April 2012. Hot FM is the first radio station in Malaysia to gain 1 million likes on its Facebook fan page and ended the year with 1,235,000 likes.

one FM

According to the latest Nielsen Survey, one FM has acquired the No. 1 spot as the Malaysian Chinese radio station with the longest Time Spent Listening (TSL) among the 18-24 demographic. one FM also successfully placed itself as the No. 2 Chinese radio station in the country among listeners under 30 years old. The station's Morning Kaki and Happy Hour shows have become the number two choice for breakfast and drive time shows respectively for the under-35 demographic. one FM also continued to strengthen its presence in the industry with an increased listenership of PMEBs (Professional, Managers, Executives, Businessmen) by 32%.

On 29 October 2012, one FM rocked an audience of almost 15,000 at The One Concert at Low Yatt Boulevard featuring local and international artistes including pop sensations from Korea, B1A4 and A Pink, Magic Power, Afu, William Wei and Soo Wincci. Prior to the concert, one FM gave away VIP tickets to the show during a road show which covered Seremban, Penang and the Klang Valley.

Closing the year with a bang, one FM in collaboration with 8TV produced a reality show in which Chinese-language composers pitched their talents to create a masterpiece called The Ultimate Song, which will be aired in April 2013.

OUTDOOR

Media Prima's outdoor division falls under Big Tree Outdoor Sdn Bhd (Big Tree). Big Tree continued an impressive growth which saw its market share increase from 43% to 44%, reinforcing the company's leadership position in the outdoor advertising sector.

Big Tree expanded its KLCC Convention Centre concession area by securing the rights to manage outdoor advertising at the KLCC Convention Centre Extended Tunnel and the KLCC-Impiana Hotel – KL Pavilion Elevated Walkway. With this, the company has strengthened its position as the dominant outdoor media owner within the KL Golden Triangle.

After the successful deployment of digital media at its retail and airport advertising concession areas in 2011, Big Tree in 2012 introduced digital media at the Rapid KL Kelana Jaya Line and Ampang Line LRT stations, injecting vibrancy into the transit advertising scene more vibrant.

For the fourth consecutive year, Big Tree was awarded the Out-of-Home Media Company of the Year by Advertising and Marketing magazine. It emerged as the Marketer's Favourite Media Company in Targeting Specific Groups.

CONTENT

Media Prima's position as the leading content provider in the nation is driven by the talents and resources of its content creation division, Primeworks Studios. Primeworks Studios is one of the biggest and most established production companies in Malaysia. While most of its content serves Media Prima's TV networks, its innovative, engaging and high-quality content for TV channels and other media platform catering to a multitude of tastes and demands of discerning viewers.

In 2012, Primeworks Studios produced approximately 6,000 hours of content including award-winning, highly-rated and much-discussed programmes across various genres, some of which were produced in high-definition technology. Approximately 47% of this output comprised prime-time factual programmes, namely documentaries, magazines and talk shows; 49% consisted of entertainment such as drama, variety shows, game shows, award shows and musicals; while the remaining 4% comprised sports programmes, as well as branded content commissioned by corporate clients as an inventive strategy to reach their target audience through soft marketing.

While flagship programmes such as *Anugerah Juara Lagu ke-26*, *Mentor 6*, *Melodi* and *Majalah 3* continued to boost ratings, Primeworks Studios also unveiled a staple of new programmes such as the travelogue *Unsung Places*; a documentary on unusual world cultures, *Dunia Tersembunyi*; and a journey viewed through hip-hop music in *Hip-Hoppin' Asia*, all produced in high definition technology.



Group Managing Director's Statement



Primeworks Studios' output includes feature films produced under the Grand Brilliance label. Of these, gritty family drama *Songlap*, though released in 2011, continued to create waves worldwide through its screening at international film festivals. These include the Far East Film Festival 14 (Udine, Italy), the Los Angeles Asian Pacific Film Festival (California, USA), Filmfest Hamburg (Germany), the Abu Dhabi International Film Festival (United Arab Emirates), Asia Pacific Screen Awards 2012 (Queensland, Australia), Fort Lauderdale Film Festival (Florida, USA) and the Five Flavours Film Festival (Warsaw, Poland). It was nominated for Best Screen Play and Best Score at the 55th Asia Pacific Film Festival (Macau).

Songlap also won Best Film Director, Best Actor and Best Supporting Actor at *Anugerah Skrin 2012* and Best Film, Best Cinematography, Best Screenplay and Best Supporting Actress at the *Anugerah Majlis Pengkritik Filem Kuala Lumpur 2012*.

Primeworks Studios further swept 18 awards at the *Anugerah Profima 2012*, including Best Film for *Nur Kasih*, Best Documentary for *Dunia Tersembunyi* and Best TV Programme for *Anugerah Juara Lagu 26*. Other achievements include 3600's Red Ribbon Media Awards 2012 for Outstanding Achievement in Broadcast Media, *Anugerah Khas Perbadanan Putrajaya* and *Anugerah Khas Jabatan Bomba and Penyelamat Malaysia*. Current affairs magazine 999 also garnered the *Anugerah Khas Ketua Polis Negara and PDRM* and two *Anugerah Khas Polis Trafik IPKKL*. Morning talk show *Malaysia Hari Ini* was also awarded the *Anugerah Khas Kementerian Penerangan, Komunikasi and Kebudayaan*.

In addition to critical acclaim, several films released by Grand Brilliance in 2012 garnered box-office success. Leading the pack was *Jalan Kembali*, which grossed RM5.02 million at the box-office and romantic comedy *Istanbul Aku Datang*, which grossed RM3.4 million. *SeeFood*, a 100% Malaysian-made animated film, grossed RM2.4 million. The studio's Chinese-language films also performed well, with *Ah Boys to Men Part 1* garnering box-office takings of RM2.02 million and SG\$6.5 million in Malaysia and Singapore respectively.

DIGITAL MEDIA

2012 proved to be a outstanding year for digital media at Media Prima. On 12 December 2012, the Group unveiled its enlarged digital business unit – 'Media Prima Digital'. Media Prima Digital is the Group's integrated digital media arm, a result of the integration of businesses under Alt Media Sdn Bhd (Alt Media) and NSTP E-Media Sdn Bhd (E-Media). With the enlarged Media Prima Digital, the Group now owns and operates the nation's largest integrated digital media unit.

Alt Media, among others, is responsible for the innovation of Tonton, the multiple award-winning, No. 1 Malaysian video portal (Source: comScore). Tonton, which currently surpassed 2.8 million, offers online "catch-up" and "live" television services, as well as premium paid content. In addition, Alt Media manages the Group's television and radio networks web portals, as well as Gua (gua.com.my), the country's premier entertainment and lifestyle portal.

E-Media, the digital arm of the Group's subsidiary the New Straits Times Press (Malaysia) Berhad, develops and manages Malaysia's number one Malay language news portal *Harian Metro Online*; as well as the news portals of country's other leading newspapers – the *New Straits Times* and *Berita Harian*. E-Media has developed several e-commerce applications and will be developing several lifestyle portals to be launch in phases throughout 2013.

Media Prima Digital currently boasts these impressive statistics with the accumulated reach of:

- Up to 5.9 million visitors monthly (Source: Omniture and Google Analytics)
- Up to 4.5 million video views monthly (Source: Omniture Site Catalyst)
- Up to 75 million page views monthly (Source: Omniture Site Catalyst and Google Analytics)

There was constant innovations and great results from new developments and live streaming events by Media Prima Digital for numerous big TV and sports events such as *Anugerah Juara Lagu*, *Anugerah Bintang Popular Berita Harian*, *Showdown*, *Anugerah Skrin*, *UEFA Euro 2012™*, the wedding of the nation's badminton champion Dato' Lee Chong Wei, Shout Awards and many more.



AWARD-WINNING PORTALS AND MALAYSIA'S NO. 1 DIGITAL MEDIA GROUP

(SOURCE: COMSCORE)

For *Anugerah Juara Lagu 26* (www.tv3.com.my/ajl26), it garnered over 260,000 page views during the live streaming of the Red Carpet, Behind-The-Scenes and Awards Show on 29 January 2012. On the social media front, its hashtag (#ajl26) trended on Twitter at the Number 1 spot in Malaysia on the event night with 94,000 tweets by 21,700 Twitter users. For the first time, a "backstage social network party" was held at the event, which gave "special access" to popular Twitter users. The event, which was also streamed globally, had 11% of the online viewers coming from countries like Singapore, Brunei, United Kingdom, Egypt, Australia and many more. Additionally, catch up video views on Tonton for the awards have surpassed 56,000. *Anugerah Juara Lagu 26*'s online campaign certainly pushed the boundaries on social engagement which resulted in the campaign receiving the Gold Award for the Best Online Driver category at the inaugural Marketing Events Awards 2012, held in Singapore in November 2012.

Tonton (www.tonton.com.my)

Tonton (www.tonton.com.my) 2012 was remarkable year for Tonton. Ahead of its competitor, Tonton has a strong foothold as the No. 1 Malaysian video portal (Source: comScore) with over 2.8 million registered users (Source: Omniture Site Catalyst).

On the 10th of May 2012, Tonton was awarded a GoMobile inOvation Malaysia Award (Entertainment Category) at GoMobile Awards 2012. The inOvation Malaysia Award honours and recognises innovative and outstanding achievements and ventures in mobile products and solutions. Selection of winners was made by key people from the 'mobile industry' in Malaysia.

In September, Media Prima Digital embarked on a new partnership with Samsung Malaysia Electronics to expand Tonton's variety of content offerings for the Samsung SMART TV. The partnership was officiated through a Memorandum of Understanding (MoU) and this collaboration will see the development of Malaysia's first entertainment streaming application on a SMART TV platform with Tonton. This innovative application will be launched in Q2 2013 and will enable consumers to enjoy an array of local and international content – all on the Samsung SMART TV and in the comfort of their own home.

In line with Tonton's expansion plans, "TV EVERYWHERE" (www.tonton.com.my/livetv) was rolled out in November for viewers in Malaysia to watch Media Prima's TV Networks (TV3, ntv7, 8TV and TV9) and RT Global (news channel) live.

2012 was a fantastic run for Media Prima Digital and will continue to drive Media Prima to excel in the forefront of digital media with exciting and innovative strategies and developments in the new year.

MOVING FORWARD

We are cautiously optimistic for the year 2013 given signs of improvement of the global economy coupled with Malaysia strong fundamentals. Many Entry Point Projects, such as the MRT, are likely to have a cascading effect on the economy, building consumer and corporate confidence, which will help improve advertising expenditure.

Concurrently, we will continue to grow each of our six main business units by focusing on content and expanding our reach to our target markets. Our emphasis will be on cross-media integration and agnostic, whilst offering more attractive and effective solutions to our advertisers.

We are collaborating with the Multimedia Development Corporation (MDec), Cradle Fund Sdn Bhd and Rhythm and Hues Studio on a programme called The Next Big Thing. Under this programme, various new short animation content from up and coming talents and animation companies will be housed in Tonton.

DATO' AMRIN BIN AWALUDDIN

Group Managing Director
Media Prima Berhad





SETTING NEW STANDARDS...



We aim to entertain and educate Malaysians through our wide variety of content and media platforms, whether on radio, television, online, mobile or newspapers. We will leverage on the resources and talents of our content-creation arm, Primeworks Studios to develop and produce relevant and compelling high-quality content to satisfy the demands of discerning TV, cinema and new media audiences. There's something for everyone; in terms of entertainment, news and information, we are well-positioned to keep you entertained.



WE CAPTURE THE IMAGINATION OF MANY...

**THROUGH FILM,
TELEVISION, RADIO,
NEWSPAPERS,
OUTDOOR AND
DIGITAL**



Akasia

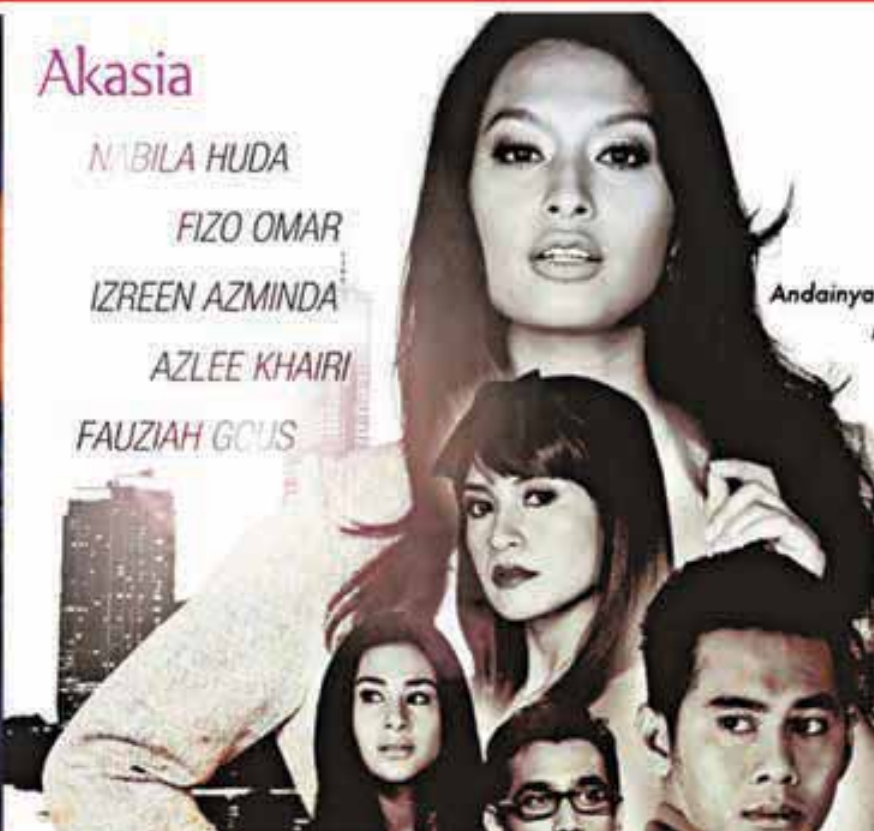
NABILA HUDA

FIZO OMAR

IZREEN AZMINDA

AZLEE KHAIRI

FAUZIAH GCUS



Corporate Profile

Media Prima Berhad (Media Prima), a company listed on the Main Market of Bursa Malaysia, is Malaysia's leading fully-integrated media group. The Group is also one of Malaysia's Top 100 largest listed companies by revenue.

The Group owns and operates four free-to-air television stations: TV3, 8TV, ntv7 and TV9 and it owns more than 98 percent equity interest in The New Straits Times Press (Malaysia) Berhad (NSTP), Malaysia's largest publisher with three national newspapers; New Straits Times, BH and Harian Metro. The Group also owns three radio stations, Fly FM, Hot FM and one FM.

The Group has a strong online presence through its digital communications subsidiary, Alt Media Sdn Bhd, via the lifestyle portal gua.com.my and tonton.com.my, a cutting-edge video portal that provides an HD-ready viewing experience and which now has more than 2.8 million registered users.

Media Prima's leadership position in the Outdoor Advertising business is represented by Big Tree Outdoor Sdn. Bhd., UPD Sdn. Bhd., The Right Channel Sdn. Bhd., Kurnia Outdoor Sdn. Bhd. and Jupiter Outdoor Network Sdn. Bhd.

MALAYSIA'S TOP 100 LARGEST LISTED COMPANIES BY REVENUE.

Its content creation subsidiary, Primeworks Studios Sdn Bhd, Malaysia's largest production company, has been producing TV content and feature films since 1984 and 1994 respectively.

Emas, Media Prima's subscription-based channel is the first classic channel in Malaysia, showcasing popular TV programmes from the Group's extensive content library.





Media Prima Berhad



OUR MILESTONES

As the leading integrated media powerhouse in Malaysia and Southeast Asia, Media Prima has continuously set new standards in the industry. To sustain our leadership position, we aim to continue to be a game-changing trendsetter.



1845

15 July

The Straits Times and Singapore Journal Commerce was first published in Singapore. It was an eight-page folio sized paper that was published every Thursday with circulation less than 200 copies. It was sold at 10 cents. Today, it becomes the oldest newspaper in the country

1956

The first Malayan edition of the Straits Times was printed at Robson House, Pudu Road, after the company acquired The Malay Mail from J.H.M Robson

1957

1 July

The Straits Times Ltd produced Berita Harian, the first romanised Malay newspaper in the country

1972

14 October

The Straits Times Press (Malaya) Berhad transferred the Malaysian newspaper business, together with its related assets and liabilities to a wholly-owned subsidiary, The New Straits Times Press (M) Sdn Bhd. This marked the birth of NSTP

1973

4 April

NSTP was listed on the Main Board of the Kuala Lumpur Stock Exchange

1976

4 October

The first local financial newspaper, called Business Times (BT) was published by Financial Publications Sdn Bhd, a subsidiary of NSTP. Today, BT is part of NST

1984

Sistem Televisyen Malaysia Berhad was incorporated and became Malaysia's first private commercial television station

1 June

Transmission started six months ahead of schedule in June, making it the fastest station ever being established in the East

1986

TV3 aired the first Malaysian music chart show, *Muzik Muzik* with a grand finale, *Anugerah Juara Lagu* and still going strong after 27 years



1988

25 April

Listed on the Main Board of the Kuala Lumpur Stock Exchange. This makes TV3 the first station to be public listed in Malaysia

31 August

TV3 began transmission in Kuching and Sibul

1991

25 March

Harian Metro, Malaysia's first Malay daily afternoon newspaper was published

1994

TV3 aired the first talents scouting show, *Sinaran Pasport Kegemilangan* with successfully discovered the four talented guys in Malaysia's most popular funny-group *Senario* – Azlee, Mazlan, Wahid and Saiful. Currently, the guys are starring in their own sitcom called '*Senario*' which with more than 3.5 million viewers per episode is undoubtedly one of the most successful shows in Malaysia

1995

24 June

The official launch of NSTP On-Line, Malaysia's first on-line newspaper archival and information services

1997

31 August

TV3 goes on air for 24 hours in conjunction with the country's 40 years of Independence celebrations

1998

ntv7 first came on air on 7 April 1998 and was Malaysia's third private free-to-air TV station. The station specialised in urban and international content and catalysed profound growth in the media industry across the country

2002

TV3 takes another step forward by producing its first ever Chinese programme called '*Pulanglah*'. This programme is the Chinese version of *Jejak Kasih*. It assisted family members find their long lost loved ones

2003

To celebrate its 19th anniversary, TV3 organised the *Karnival TV3 2003 Sure Heboh* which traveled to Johor Bahru, Malacca, Kuantan, Penang, Ipoh and Kuala Lumpur. It's now known as *Karnival Jom Heboh* which visited by 5 million people every year.

March

The inaugural New Straits Times Car of the Year Award was introduced and became the first award ceremony to recognise achievement in the motoring industry in Malaysia

2004

TV3 spearheaded a massive charity drive with NST, BH and 8TV, 'Malaysian Tsunami Disaster Fund' which successfully collected RM44.5 million from its subsidiaries and the public

8 January

8TV began operations on January 8th 2004 and transmits free to the entire West Coast of Peninsular Malaysia and Kuantan on the UHF band carrying the tagline "We Are Different"

May

8TV brought in the Idol phenomenon "Malaysian Idol™" – 1st reality TV programme (via free TV), it is the local round of this renowned global talent search show that seeks to discover the best and most promising young talents competing for the title of the Malaysian Idol

July

BH clinched the nation's No.1 Bahasa Malaysia newspaper position (Source: Nielsen Media Research)

1 September

NST was published in two sizes; broadsheet and compact size. It became the first and only newspaper in the country to offer two sizes to its readers. The last issue of broadsheet format was on 17 April 2005

2005

January

Harian Metro became the *No.1 Bahasa Malaysia* newspaper in the country (Source: Nielsen Media Research)

13 August

8TV Summer Live Concert 2005, the first ever and biggest Chinese free concert with the biggest crowd in Malaysian history was held in Penang

1 October

NST Kiosk was launched at Bintang Terrace, Lot 10 Shopping Centre, Kuala Lumpur, the first newspaper kiosk in the country

2006

22 April

TV9 began broadcasting carrying the tagline "*Dekat Di Hatiku*"

2007

September – October

Media Prima Digital – Gua.com.my was the first entertainment and lifestyle portal to introduce GUA TV online as an extension to its editorial content and the 1st to have a web drama series, "*Kerana Karina*"

North Pole Free Fall Expedition – TV3 was the first and only Malaysian TV station to exclusively cover this expedition via news and *Majalah 3*



Our Milestones



2008

15 April

The first RHB New Straits Times National Spell-It-Right Challenge started. It became the first and the only nationwide spelling contest for all primary and secondary students in the country

8 August

The launch of Primeworks Studios, an integrated content creation, production resources, talent management, creative services and program distribution and sales company

8 November

Media Prima Digital – Gua.com.my was the first entertainment and lifestyle portal to introduce Live Video Chat session for fans with artists and celebrities

2009

28 March

In support of Earth Hour 2009, for the first time ever in tv broadcasting history, 8TV shut down tv transmission from 8.30pm – 9.30pm on 28 March. This transmission shutdown, done during our peak prime-time hour sent a strong message to all Malaysians about the need to slow down climate change.

1 October

Tabung Bencana NSTP-Media Prima was launched as a platform for the general public to donate towards major catastrophes, natural disasters and humanitarian crisis

2010

ntv7 Golden Awards – The 1st local Chinese TV Awards show, the country's most recognised and prestigious awards show in the Malaysian Chinese TV industry

6 August

Media Prima Digital – The launch of Malaysia's premiere video portal, Tonton (www.tonton.com.my)

7 October

Journalism on Campus (JOC) was introduced by NST, the first monthly English newspaper in the country to be produced by university students, assisted by university advisors and NST mentors. UiTM became the first higher institution to embark on this programme with NST

2011

12 April

"*Ekspresi Remaja*" – TV9's vision to inspire youth is further strengthened through this on-ground event held at selected universities. Youth were given the platform to express themselves through music, education and entrepreneurship





2012

2 January

Hot FM – Regionalisation to Kelantan and Terengganu with localised content and music

29 January

Anugerah Juara Lagu ke-26 (AJL 26) garnered more than 6.5 million viewers, a record breaking feat for an entertainment/award live show of its kind

15 February

Rising Sun Over Malaya premiered on 15 February 2012, Primeworks Studios' first HD production for History Channel Asia, a joint effort with FINAS and Novista

21 February

NST became Malaysia's first talking newspaper. A QR code was placed within articles in the newspaper which enabled readers to listen a recording of the article or advertisements

12 April

Big Tree Outdoor – First "art gallery" at an LRT station (Masjid Jamek) by Samsung Galaxy Note

30 June

TV9 launched GIG Triple Play – 3 bands, 2 countries, 1 stage! Phenomenal performance by 3 youth bands (Bunkface, Hujan and Nidji) rewarding our viewers

12 July

BH created history by carving a name in the Malaysia Book of Records for the longest running entertainment show – *Anugerah Bintang Popular Berita Harian 2011*

3 September

Fly FM – Most Watched Parody: "Super Kampung Style" reached more than 1 million views in youtube

15 September

Big Tree Outdoor – The first LED trimmed lightboxes in the country rolled-out at the KLCC Convention Centre – KL Pavilion Elevated Walkway

22 October

ntv7 – Rooftop – Malaysia's first ever music show on a rooftop featuring 14 local favourite artistes

8 December

Istanbul Aku Datang, a romantic comedy film jointly produced by Grand Brilliance and Red Films, was released on 8 December 2012, and became the first Malaysian movie to hit Trending on Twitter Malaysia on the first day of cinema release. The film was also on the Twitter trending list three times during the first week of release

23 November 2012

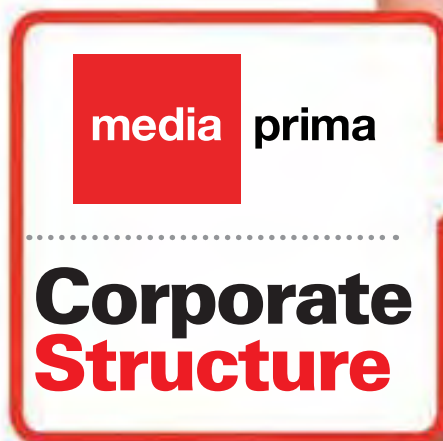
8TV – Organised Malaysia's First ever Outdoor awards – The Shout! Awards 2012



11 November 2011

NST became the first newspaper in Malaysia to launch a 3D edition whereby 3D spectacles were provided to readers





Television
Broadcasting

100%



Sistem Televisyen Malaysia Berhad



Print
Media

98%



The New Straits Times Press
(Malaysia) Berhad (NSTP)



Outdoor
Media

100%



Big Tree Outdoor
Sdn Bhd



Radio

100%



Synchrosound Studio
Sdn Bhd



Content

100%



Primeworks Studios
Sdn Bhd



100%

Media Prima Content
Services Sdn Bhd



Digital
Media

100%

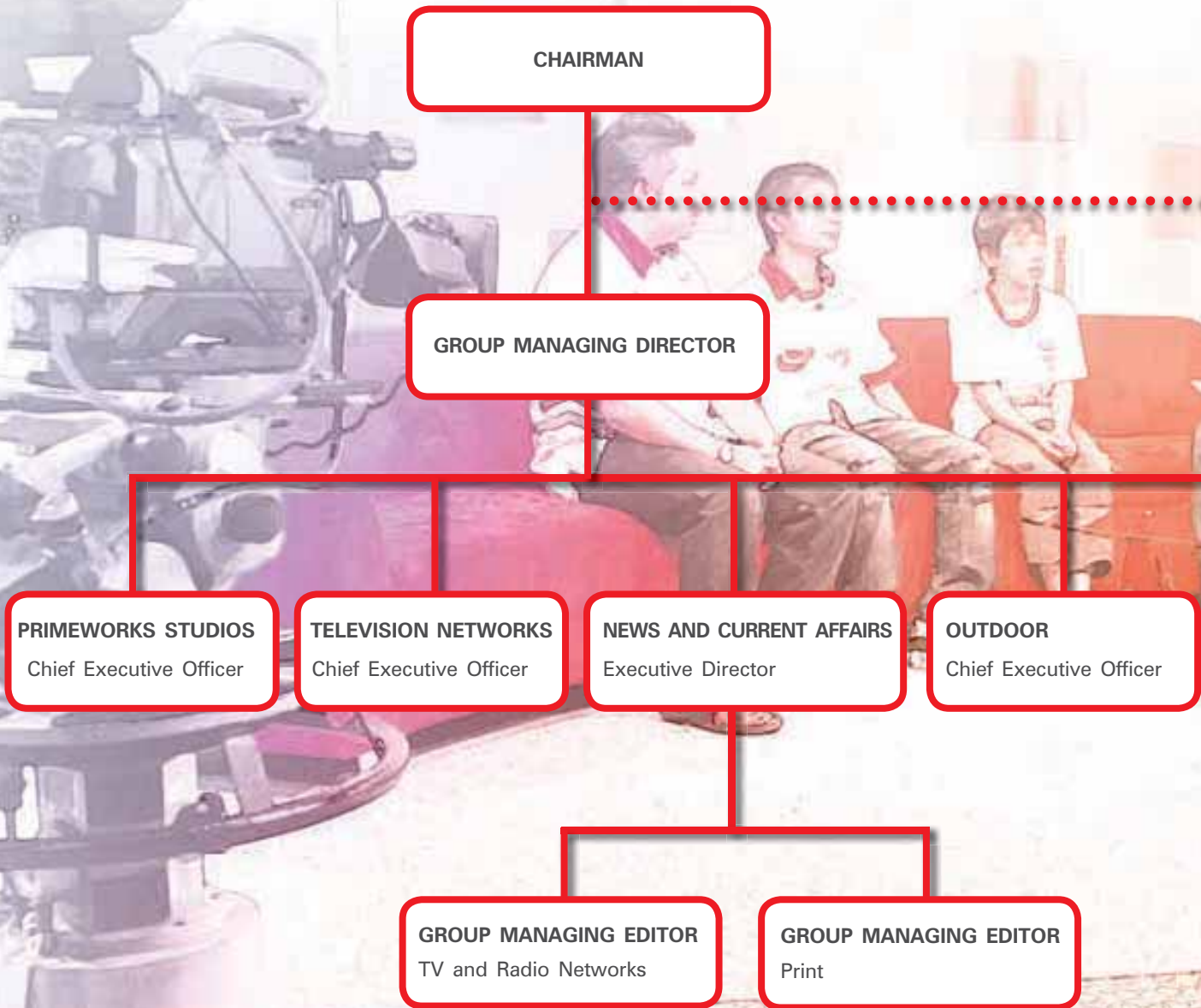


Alt Media Sdn. Bhd





Organisational Structure



GROUP CORPORATE GOVERNANCE

Group General Manager

GROUP RISK MANAGEMENT

Group General Manager

**THE NEW STRAITS TIMES
PRESS (M) BERHAD**
Chief Executive Officer

DIGITAL MEDIA
Chief Operating Officer

RADIO NETWORKS
Chief Executive Officer

GROUP FINANCE
Group Chief Financial Officer

**GROUP SHARED
SERVICES**
Chief Operating Officer

**GROUP HUMAN
RESOURCE**
Group General Manager

**INTEGRATED
MARKETING GROUP**
Chief Marketing Officer



SETTING NEW STANDARDS...

ING YOU WITH THE WORLD

NEW STRAITS TIMES



As the largest fully-integrated media group in Malaysia, we are able to reach out to Malaysians in more ways than one. Our media platforms includes television, print, outdoor, radio and digital. We are not just in the homes of all Malaysians but outside as well which gives us greater impact and presence to connect with our audience.



Calendar of Events

BEST OF 2012



6 January

Media Prima Berhad launched EURO 2012 as part of the 2012 UEFA European Football Championship broadcast over its television networks and Alt Media



29 January

TV3 hosted the 25th *Anugerah Juara Lagu 2012* – the most prestigious local music awards



10 February

Media Prima Berhad celebrated Chinese New Year 2012 with clients at Sime Darby Convention Center



21 February

Media Prima Berhad awarded the best Malaysian company (Corporate Governance) in Asiamoney Awards 2011



26 February

The 10th *Karnival Jom Heboh*, the biggest and longest running event by TV3 was launched in Melaka by Chief Minister YAB Datuk Seri Haji Mohd Ali Mohd Rustam



8 March

TV3 launched *Wanita Inspirasiku* that featured a new concept, incorporating fresh elements for today's women



10 March

SeeFood, Malaysia's first 3D animated movie introduced by Primeworks Studios to the silver screens



8 April

Anugerah Bintang Popular BH 2012 – an annual award show which acknowledged local artists and celebrities



19 April

Media Prima Berhad held its 11th Annual General Meeting at One World Hotel, Petaling Jaya



2 May

Showdown 2012 Final – Third season of Malaysia's most outstanding dance show organised and featured by 8TV



4 May

Media Prima Berhad – NSTP Volunteer Brigade in the Humanitarian Relief mission to Bangkok in aid of flood victims



24 May

Ahmad Izham Omar launched Bananana, a flagship brand to unite all children programs on Media Prima Berhad's television networks



12 June

Prime Minister of Malaysia, at the NST Online with PM, a program where the Prime Minister conversed online with the public



27 June

Signing of MoU – Consolidation between Maxis and Media Prima Berhad to strengthen the nexus to deliver the IPTV service in Malaysia in delivering on-demand movies to customers



6 July

Media Prima Berhad as joint presenter with the aim to accelerate the country's top performing brands at Malaysia's Most Valuable Brands 2012



Calendar of Events



19 July

Media Prima Berhad launched DRB-Hicom #MySyg Campaign at Sri Pentas in conjunction with the country's 55th Merdeka Day celebration to create a platform for Malaysians to share stories of their memorable moments as Malaysians



1 August

Berbuka Puasa Bersama Deputy Prime Minister of Malaysia, at Balai Berita Bangsar



20 September

Golden Awards – a prestigious local Chinese entertainment award show held at Putrajaya International Convention Centre



6 September

The Regent of Perak attended the Media Prima Berhad Hari Raya Open House 2012 at Sime Darby Convention Centre as the Guest of Honor



18 September

Deputy Prime Minister of Malaysia, special appearance in Soal Jawab Bersama TPM hosted by Datuk Ahmad bin Abd Talib, Executive Director of News and Editorial Operations, Media Prima Berhad



10 October

Yang di-Pertua Negeri of Penang launched Kompleks Percetakan NSTP at Balai Berita, Prai



17 October

Datuk Ahmad bin Abd Talib with the winning team of Karnival Sukan Media Prima Berhad at Sri Pentas organised by Media Prima Berhad to strengthen the bond between employees



17 October

TV3 was the Top 20 at the Malaysia's Most Valuable Brands 2012 Gala Night



8 November

Media Prima Berhad's Management and Communications and Culture Minister at the first Deepavali Open House hosted by Media Prima Berhad



9 November

Anugerah Skrin 2012

– TV3's annual recognition for enlivening local artist



11 November

DYMM Sultan Johor presented trophy to the winner of the Sultan's Cup at the NST Maybank Car of the Year 2U Autoshow which was held at Matrade Exhibition & Convention Centre



23 November

Shout! Awards – An entertainment award show by 8TV created to celebrate the Malaysian entertainment scene since year 2009



29 November

Untukmu Palestin – Popular singers took part in special concert organised by TV3 and Primeworks Studios in conjunction with the recent launch of the Tabung Kemanusiaan Palestin Media Prima Berhad



26 December

Vokal 2012 Final – Malaysia's most renowned singing show organised by TV3



12 December

Media Prima Berhad launched Media Prima Digital which merged its two new media business subsidiaries, Alt Media and E-Media



14 December

Media Prima Berhad management with the winners of the Battle of the Bands Media Prima Berhad held at Sri Pentas, Bandar Utama



Awards and Recognition

Asiamoney Corporate Governance Poll 2012



Best for Overall Corporate Governance

Media Prima Berhad



Best for Disclosure and Transparency

Media Prima Berhad



Best for Responsibilities of Management and the Board of Directors

Media Prima Berhad



Best for Shareholders' Rights and Equitable Treatment

Media Prima Berhad



Best for Investor Relations

Media Prima Berhad

Asia Pacific Young Business Conference 2012

CSR Leadership Award

Media Prima Berhad



Awards	Category	Receiver
Asiamoney Award	Best for Overall Corporate Governance	Media Prima Berhad
	Best for Disclosure and Transparency	Media Prima Berhad
	Best for Responsibilities of Management and the Board of Directors	Media Prima Berhad
	Best for Shareholders' Rights and Equitable Treatment	Media Prima Berhad
	Best for Investor Relations	Media Prima Berhad
Asia Pacific Young Business Conference 2012 (APYBC 2012)	CSR Leadership Award 2012 – Media Coverage Category	Media Prima Berhad
Anugerah Bintang Popular BH 2011	Penyampai Radio Wanita Popular	Radio Networks – Farah Fauzana
	Penyampai Radio Lelaki Popular	Radio Networks – Faizal Ismail
	Pengacara TV Wanita Popular	Radio Networks – Farah Fauzana
	Gangsa – Kategori Pemacu Dalam Talian Terbaik	NSTP
	Gangsa – Kategori Liputan Merentas Media	NSTP
	Malaysia Book of Records – Longest Running Entertainment Show	BH
Golden Awards 2012	Best TV Drama – The Adjusters	8TV
	Best Director – Chan Wei Cheang (Goodnight DJ 2)	8TV
	Best Original Screenplay – Chong Sheon Wei, Lum Lai Yep, Teh Kean Guan (Goodnight DJ 2)	8TV
	Best Drama Theme Song – Henley Hii (A Time To Embrace)	8TV
	Best Variety & Entertainment Programme – Love In Seoul	8TV
	Best Variety & Entertainment Programme Host – Cheryl Lee (Hot Chef Season 1)	8TV
	Best Magazine Programme Host – Cheryl Lee (Truth Next Door)	8TV
	Most Popular TV Host/Presenter – Natalie Ng	8TV
	Best News & Current Affairs Programme – Editor's Time	ntv7
	Most Popular TV Newscaster/Anchor – Tan Ley Teng	ntv7
	Best Festive Programme – The Superb Match Makers	ntv7
	Best Magazine Programme – Helping Hands	ntv7
	Best News Reader/Anchor – Tiang Kah Chee	ntv7
	Best Supporting Actor – Alvin Wong (Time FM drama)	ntv7
	Best Supporting Actress – Yeo Yann Yann (Time FM Drama)	ntv7
	Best New Comer – Crystal Lee (Footprints In The Sand drama)	ntv7



Awards and Recognition

Awards	Category	Receiver
Golden Awards 2012	Best Actor – Coby Chong (Forget Me Not drama)	ntv7
	Best Actress – Remon Lim (Forget Me Not drama)	ntv7
	Most Popular Actor – Leslie Chai (drama)	ntv7
	Most Popular Actress – Debbie Goh (drama)	ntv7
Anugerah SKRIN 2012	Lakon TV Terbaik – Lum Pung Hui (Di Telapak Kaki Bonda)	TV3
	Videografi Terbaik – Aku Mahu Terbang (Neon Entertainment)	TV3
	Anugerah Artis Harapan Pantene – Putri Balqis (Pelarian)	TV3
	Pelakon Pembantu Wanita Terbaik Drama – Sherry Merlis (Di Telapak Kaki Bonda)	TV3
	Pengarah Terbaik Drama – Kabir Bhatia (Di Telapak Kaki Bonda)	TV3
	Drama Terbaik – Di Telapak Kaki Bonda	TV3
	Laporan Khas/Berita Terbaik (Bom Jangka) Producer: Aminhayat Abd Rahim	TV9
	Majalah/Dokumentari Terbaik – Dunia Tersembunyi (Rambu Solok) Penerbit: Mohd Raziff Zulkafli	TV3 Primeworks Studios
	Videografi Terbaik (Kategori Teknikal) – Dunia Tersembunyi	TV3 Primeworks Studios
	Suntingan Terbaik (Kategori Teknikal) – Dunia Tersembunyi	TV3 Primeworks Studios
	Penataan Bunyi Terbaik (Kategori Teknikal) – Dunia Tersembunyi	TV3 Primeworks Studios
	Pengarah Filem Terbaik – Effendee Mazlan & Fariza Azlina Isahak (Songlap)	Primeworks Studios
	Pelakon Lelaki Filem Terbaik – Shaheizy Sam (Songlap)	Primeworks Studios
	Pelakon Pembantu Lelaki Filem Terbaik – Syafie Naswip (Songlap)	Primeworks Studios
	Rancangan Bual Bicara Terbaik – Bella: Labour Day Special Penerbit: Hazwani Mokhtazar	ntv7 Primeworks Studios
	Rancangan Hiburan Terbaik – Anugerah Bintang Popular Berita Harian 25 Penerbit: Nurhul Huda Hj Khalid	TV3 Primeworks Studios
	Rancangan Muzikal Terbaik – Anugerah Juara Lagu 26 Penerbit: Nurhul Huda Hj Khalid	TV3 Primeworks Studios

Awards	Category	Receiver
Shout! Awards 2012	Fresh TV Series Award – Versus <i>Note: the programme is a collaboration project and owned by Hot FM and TV9</i>	TV9 Primeworks Studios Hot FM
	Coolest Radio Announcer Award – Hunny Madu (Fly FM)	Radio Networks
	Favourite Radio Show Award – Top 5 Panggilan Hangit (Hot FM)	Radio Networks
	Breakthrough Local Feature Award – Songlap	Primeworks Studios
	Favourite TV Programme Award – Showdown 2012	8TV Primeworks Studios
Anugerah Majlis Pengkritik Filem Kuala Lumpur 2012	Filem Terbaik – Songlap Penerbit: Lina Tan, Ahmad Puad Onah dan Lee Mee Fung	Primeworks Studios
	Sinematografi Terbaik – Haris Hue Abdullah (Songlap)	Primeworks Studios
	Lakon Layar Terbaik – Fariza Azlina Isahak (Songlap)	Primeworks Studios
	Pelakon Pembantu Wanita Terbaik – Normah Damanhuri (Songlap)	Primeworks Studios
Advertising and Marketing Magazine (September Issue)	Out-of-Home Media Company of the Year 2012	Big Tree Outdoor
Putra Brand Awards 2012	Bronze for Brand Awards 2012	TV3
Malaysia's Most Valuable Brands 2012	MMVB 2012 Awards – 19th out of 30 Most Valued Company in Malaysia	TV3
Anugerah Khas Perbadanan Putrajaya 2010-2011	Penghargaan kepada Rancangan 360 Primeworks Studios	TV3 Primeworks Studios
Anugerah Khas Jabatan Bomba & Penyelamat Malaysia	Rancangan 360 – Mohd Said Abdullah Thani Primeworks Studios	TV3 Primeworks Studios
	Rancangan 360 – Ahmad Syazwan Syuwari Nordin	TV3 Primeworks Studios
Anugerah Khas Polis Trafik IPKKL	Rancangan 999 – Laporan khas Operasi U3K	TV3 Primeworks Studios
	Rancangan 999 – Laporan khas Parkir Haram	TV3 Primeworks Studios
Anugerah Khas Kem. Penerangan, Komunikasi & Kebudayaan	Rancangan MHI – Liputan tamat tempoh pemerintahan SPB YDP Agong XIII pada Disember 2011	TV3 Primeworks Studios
Anugerah Khas Ketua Polis Negara & PDRM	Rancangan 999 – Polis dan Media Berpisah Tiada	TV3 Primeworks Studios
Malaysian Aids Council Red Ribbon Media Award 2012	Outstanding Achievement in Broadcast Media Category – Rancangan 360 (Jangan Pisahkan Kami)	TV3 Primeworks Studios
Anugerah Blockbuster 2012	Best Horror Movie – Khurafat	Primeworks Studios
	Best Musical/Drama Film – Nur Kasih The Movie	Primeworks Studios
	Best Villain – Fikri Bakar (Klip 3gp)	Primeworks Studios



Awards and Recognition

Awards	Category	Receiver
Rotary Club of Gombak Media Award	Outstanding Contributions in Community Service – Mohd Said Abdullah Thani	TV3 Primeworks Studios
Kenyalang Shell 2011 Media Award	Third Prize – Economic & Sports Category (English)	NST – Cheng Lian Hiok
	First Prize – Business & Economic Category and Second Prize for his report “Nikah RM18” (Bahasa Malaysia)	BH – Hifzuddin Ikhsan
	Journalism Award Third Prize – Sport Category (Bahasa Malaysia)	BH – Misiah Taib
	Merit awards in Broadcast Journalism, health, environment, economic and business categories – Araffie Anak Igat (TV3 Sarawak crew)	TV3
Malam Penghargaan Media Agensi Penguatkuasaan Maritim Malaysia 2012	Anugerah Talkshow TV Maritim Terbaik: Tempat Pertama – Malaysia Hari Ini	TV3 Primeworks Studios
	Tempat Ketiga – Nasi Lemak Kopi O	TV9 Primeworks Studios
	Anugerah Program Majalah Terbaik – Program 999	TV3 Primeworks Studios
	Anugerah Laporan TV Terbaik Maritim 2012 Anugerah Stesyen TV Terbaik Maritim 2012	TV3 – Azmah Dahari
	Tempat Ketiga – Kategori Anugerah Akhbar Memberi Liputan Meluas	BH
	Hadiah Pertama – Anugerah Laporan Berita Terbaik Agensi Penguatkuasaan Maritim Malaysia	Harian Metro – Mas Ayu Shahimi
	Hadiah Kedua – Anugerah Penulisan Rencana Maritim Terbaik	BH – Fairuz Zaidan
International Film Festivals Participation	Screened at Far East Film Festival 14 (Udine, Italy) – Songlap	Primeworks Studios
	Screened at Los Angeles Asian Pacific Film Festival (California, USA) – Songlap	Primeworks Studios
	Screened in Asia Express section at Filmfest Hamburg – Songlap	Primeworks Studios
	Competed in New Horizons Competition at Abu Dhabi Film Festival (UAE) – Songlap	Primeworks Studios
	Competed by special invitation in Asia Pacific Screen Awards 2012 (Queensland, Australia) – Songlap	Primeworks Studios
	Screened at Fort Lauderdale Film Festival (Florida, USA) – Songlap	Primeworks Studios
	Screened at and selected as Opening Film for Five Flavours Film Festival (Warsaw, Poland) – Songlap	Primeworks Studios
	Selected to screen at Frequency Film Festival 2013 (California, USA) – Songlap	Primeworks Studios

Awards	Category	Receiver
PROFIMA 2012	Best Documentary – Dunia Tersembunyi (Komuniti Tanah Kubur Filipina)	TV3 Primeworks Studios
	Best TV Programme – Anugerah Juara Lagu 26	TV3 Primeworks Studios
	Best Film – Nur Kasih	Primeworks Studios
	Best Director – Kabir Bhatia (Nur Kasih)	Primeworks Studios
	Best Props Master – Farmi (Chow Kit)	Primeworks Studios
	Best Makeup – Susan Chaopradith & Jenny Kon (Songlap)	Primeworks Studios
	Best Set Dresser – Karunagaran Mukam (Songlap)	Primeworks Studios
	Best Cinematography – Shahizi Othman (Nur Kasih)	Primeworks Studios
	Best Camera Operator – Shahizi Othman (Nur Kasih)	Primeworks Studios
	Best Focus Puller – Ismail Hj Abu Bakar (Nur Kasih)	Primeworks Studios
	Best Key Grip – Mohd Yunus Mohd Hanapiah (Nur Kasih)	Primeworks Studios
	Best Steady Cam Operator – Haris Hue Abdullah (Songlap)	Primeworks Studios
	Best Stuntman – Wong Choon Meng (Songlap)	Primeworks Studios
	Best Audio – Anugerah Juara Lagu 26	TV3 Primeworks Studios
	Best Set Designer – Mohd Izuan Munshid (Anugerah Juara Lagu 26)	TV3 Primeworks Studios
	Best Technical Producer – Azudin Abd Aziz & Johari Mat Ali (Anugerah Juara Lagu 26)	TV3 Primeworks Studios
	Best MCP Director – Nurhul Huda Hj Khalid (Anugerah Juara Lagu 26)	TV3 Primeworks Studios
	Best MCP Producer – Nurhul Huda Hj Khalid (Anugerah Juara Lagu 26)	TV3 Primeworks Studios
	Four awards for Tahajjud Cinta <ul style="list-style-type: none"> • Pengarah Terbaik • Drama Bersiri Terbaik • Penataan Seni Terbaik • Cinematografi Terbaik 	TV3
Anugerah Khas Markas Angkatan Bersama, Angkatan Tentera Malaysia Dan Kementerian Pertahanan	Program Majalah 3 – “Rezeki Laut Sulawesi”	TV3 Primeworks Studios
Anugerah Kewartawanan ExxonMobil 2012	Kategori Laporan Audio/Visual (TV) Terbaik – Ishak Abdillah Ngah (Tempat Pertama) & Aziz Abdullah (Tempat Ketiga) Laporan: “Kerasi Tongkat Puteh Antara Yang Terbaik”	TV3



Awards and Recognition

Awards	Category	Receiver
Hadiah Kewartawanan Malaysia MPI-Petronas 2011	Berita Video Terbaik – “Salah Urus Sisa Klinik Di Hospital-Hospital”	TV3 – Puspavathy Ramaloo/ Nor Azizul Isa
	Dokumentari Video Terbaik – “Derita Di Bumi Somalia”	TV3 – Shaharil Kadir/Aji Saregar Mazlan
	Kewartawanan Antarabangsa Cemerlang	NST – Alang Bendahara
	Penulis Rencana Cemerlang	BH – Hasan Omar
	Penulisan Kolum/Ruangan Cemerlang	NST – Azmi Mohd Anshar & Chok Suat Ling
Anugerah Kewartawanan UMNO 2011	Video Berita Terbaik (Jurubahasa Sidang UMNO) – Krew Berita TV3	TV3
Hadiah Sako 3	Tempat Ketiga – Khaidir Ahmad Novel: “Khuluk”	TV3
Malaysia Greentech Awards 2012	The Greentech Print Media Special Award	NSTP
	Best Greentech Journalist (English)	NST – Chuah Bee Kim
	Best Greentech Journalist (Bahasa Malaysia)	Harian Metro – Husain Jahit
	Platinum Award for Outstanding Journalism	Harian Metro – Muhammad Afiq Mohd Hanif
National Press Club 2012 Award	NPC-DRB HICOM Best Media Organisation in Community Services	NST BH
	NPC-Telekom Malaysia Lifetime Achievement Award	NST – Dato’ Syed Nadzri Syed Harun
Hadiah Sastra Berunsur Islam Ke-13 Anjuran Dewan Bahasa & Pustaka dan Yayasan Pendidikan Islam	Saguhati – Kategori Cerpen	BH – Hafizah Iszahanid
KAWAT-ExxonMobil 2012	Tempat Ketiga – Penulisan Berita Terbaik	NST – Muhammad Ishak
	Tempat Kedua – Penulisan Berita Pendidikan Terbaik	NST – Zainuddin Muhammad
	Tempat Pertama – Foto Terbaik	NSTP – Rozainah Zakaria
	Tempat Ketiga – Foto Terbaik	NSTP – Aswadi Alias
	Tempat Ketiga – Penulisan Berita Ekonomi Terbaik	Harian Metro – Mohd. Nazdy Harun
	Tempat Ketiga – Penulisan Berita Sukan Terbaik	Harian Metro – Abdul Malik Muhammad
Anugerah Persatuan Penulis-Penulis Sukan Malaysia (SAM) – 100 Plus	Laporan Berita Terbaik Media Cetak	Harian Metro – Aziman Rosdi
Anugerah Astro Arena 2011	Meja Sukan Pilihan	Harian Metro – Mohd Radzi Wahab
2012 Chinese New Year Greeting Advertisement Award	Full Colour	8TV Creative Service Department
PWH Music Awards 2012	Best CNY Album – 2011 CNY Reunion 178	one FM ntv7 8TV

Awards	Category	Receiver
Kinabalu Shell Press Awards 2011	News Reporting Award (Bahasa Malaysia)	BH – Poliana Ronnie Sidom & Mohd Izham Unnip Abdullah
	Environmental Journalism Award	BH – Mohd Izham Unnip Abdullah
	Journalism Award	BH – Hasan Omar NST – Roy Goh
	News Reporting Award (English)	NST – Roy Goh
	Photography Award	NSTP – Edmund Samunting
	Sports Photography Award	NSTP – Edmund Samunting
	Best Picture Award	NSTP – Datu Ruslan Sulai
Anugerah Media Kesihatan 2012	Anugerah Wartawan Kesihatan Terbaik Akhbar Bahasa Melayu	BH – Nor Afzan Mohamad Yusof
Hadiah Sastera Kumpulan Utusan (HSKU) ExxonMobil 2011	Kategori Novel Remaja dan Kategori Cerpen	BH – Hafizah Iszahanid
Pertandingan Fotografi – Anjuran Persatuan Wartawan Komanwel (CJA)	Hadiah Pertama	NSTP – Nadim Bohari
Advertising + Marketing Magazine (September 2012)	Out-of-Home Media Company of the Year 2012	Big Tree Outdoor
GoMobile Awards 2012 (10 May 2012)	Winner of Entertainment Category – Tonton (www.tonton.com.my)	Media Prima Digital
Marketing Events Awards 2012 (22 November 2012)	Anugerah Juara Lagu 26 Gold Award – Best Online Driver Category	TV3 Media Prima Digital
	Anugerah Bintang Popular Berita Harian 2011 Bronze Award – Best Online Driver Category	BH Media Prima Digital
WAN-IFRA 3rd Asian Digital Media Awards (28 November 2012)	Anugerah Bintang Popular Berita Harian 2011 Bronze Award – Best in Cross Media	BH Media Prima Digital
Asian Television Awards 2012	What Men Want (Best Reality Programme)	ntv7
	Highly commended “Terrestrial Channel of the Year”	ntv7
	Highly Commended title: “Best Actress in a Leading Role” (Debbie Goh, The Descendant)	ntv7
	Highly Commended title: “Best Actress in a Supporting Role” (Jojo Goh, Forget Me Not)	ntv7
	Highly Commended title: “Best Theme Song” (Wu Jia Hui, The Descendant)	ntv7
Press Institute	Best Journalist	ntv7 – Selina Kong
SUHAKAM 2012 Human Rights Awards	Media category	ntv7 – 7 Zoom In

the "Thoughts of
" at University of
the keynote address
of the course



5-Year Financial Highlights

	Year ended 31 Dec 2012 RM'000	Restated Year ended 31 Dec 2011 RM'000	Year ended 31 Dec 2010 RM'000	Year ended 31 Dec 2009 RM'000	Year ended 31 Dec 2008 RM'000
Revenue	1,697,845	1,622,133	1,546,643	744,029	781,290
Profit Before Taxation	282,945	277,742	295,311	275,844	159,264
Net Profit After Taxation	211,312	208,578	249,026	194,800	72,446
Net Profit Attributable to Owners of the Parent	209,312	206,585	242,294	194,800	86,023
Non-Controlling Interests	(2,000)	(1,993)	(6,732)	–	13,577
Total Asset	2,668,170	2,463,615	2,235,118	2,085,714	1,164,742
Total Borrowings	682,746	503,597	550,360	595,139	386,771
Share Capital	1,079,692	1,068,151	1,006,696	945,346	853,811
Shareholders' Funds*	1,547,290	1,443,459	1,227,150	958,107	551,302
Earnings Per Share (sen) (Basic)**	19.45	19.68	24.58	22.71	10.00
Return on Shareholders' Funds (%)	14%	14%	20%	20%	13%
Return on Total Assets (%)	8%	8%	11%	9%	6%
Net Assets Backing Per Share (RM)	1.43	1.35	1.22	1.01	0.64
Gearing Ratio	0.44	0.35	0.45	0.54	0.72
Interest Cover Ratio	11.3	9.7	10.1	12.3	8.8
Dividend Per Share (Sen)***	13.0	16.0	10.0	10.0	15.7
Number of Employees ****	4,721	4,680	4,793	4,605	2,217

* Shareholders' Funds: Share Capital + Share Premium + Other Reserves + Retained Earnings/(Accumulated Losses)

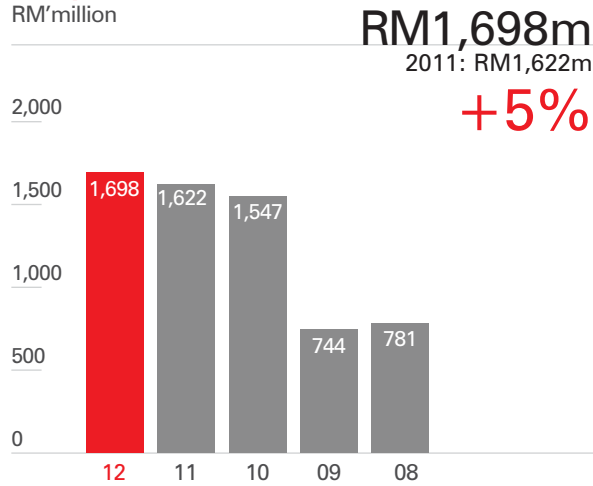
** Earnings per Share (Basic): Net Profit After Taxation and Minority Interests of RM209,312,000 (2011: RM206,585,000) and the weighted average number of ordinary shares in issue of 1,076,324,000 (2011: 1,049,540,000)

*** Dividend per share is total dividend declared for the respective financial year

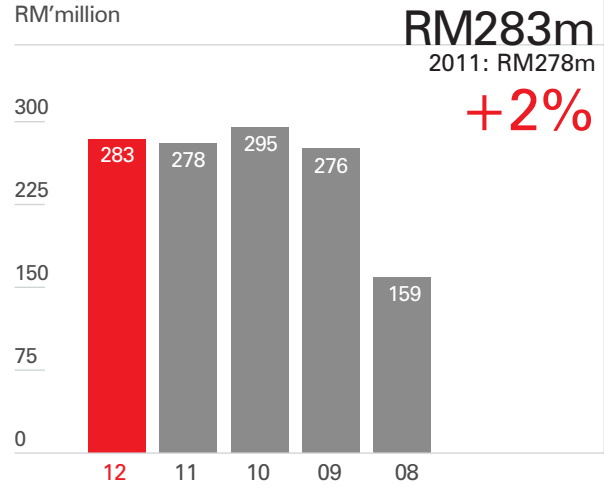
**** 2008 number of employees excluded employees of newly acquired subsidiaries

5-Year Growth Summary

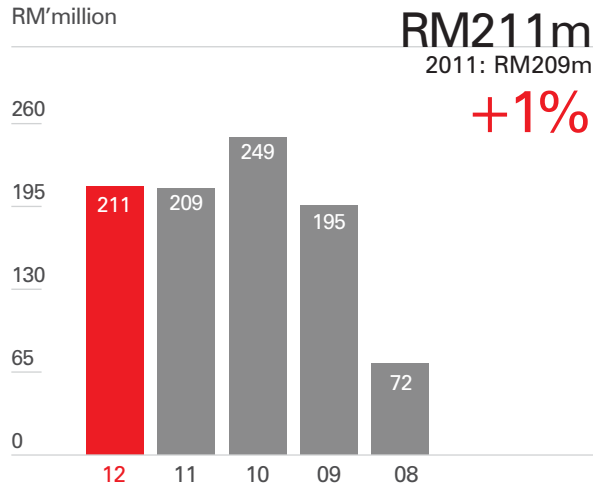
Group Revenue
RM'million



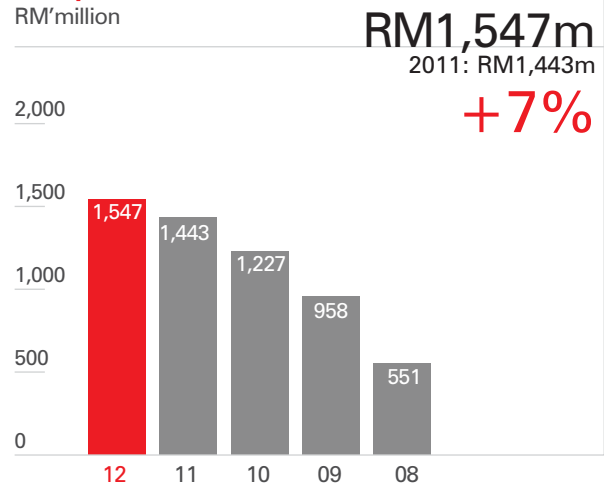
Group Profit Before Taxation
RM'million



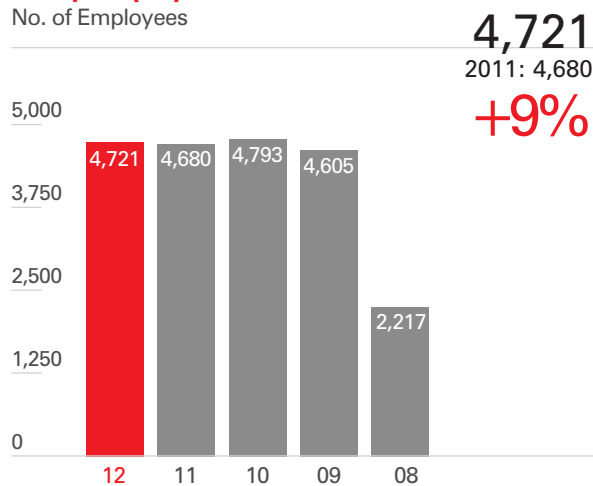
Net Profit After Taxation
RM'million



Group Shareholders' Funds
RM'million



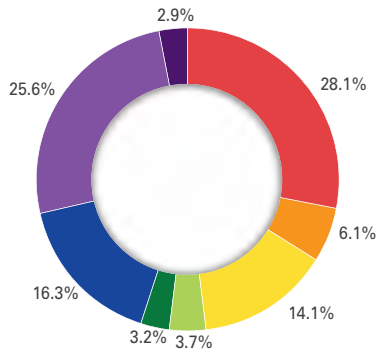
Group Employees
No. of Employees



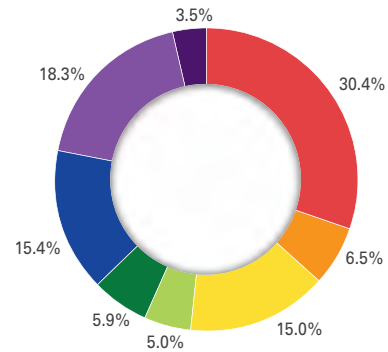


Simplified Group Statement of Financial Position

Total Assets



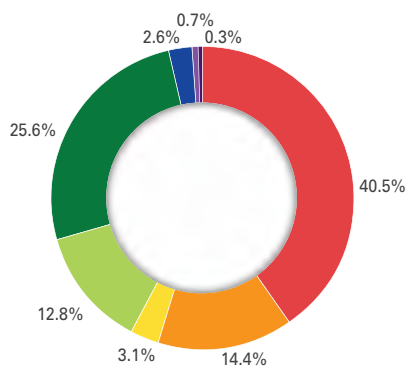
2012



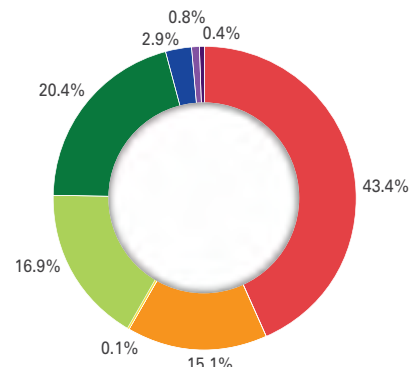
2011

- PPE
- Associates
- Intangible Assets
- Deferred Tax Assets
- Inventories
- Trade and other receivables
- Cash and bank balances
- Other assets

Total Liabilities and Shareholders' Equity



2012

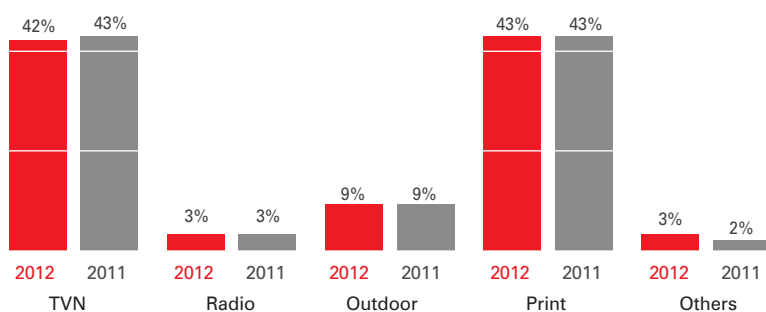


2011

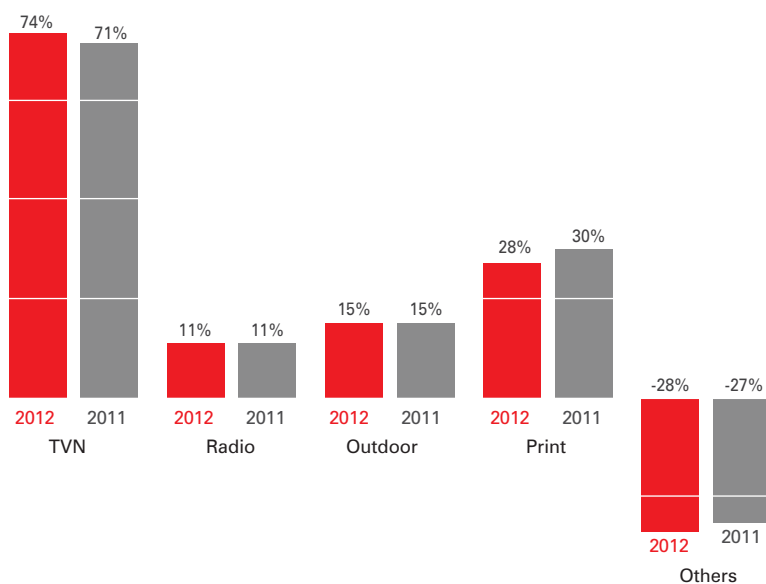
- Share capital
- Share Premium
- Other reserves
- Trade and other payables
- Borrowings
- Deferred Tax
- Non-controlling interest
- Others

Segmental Analysis

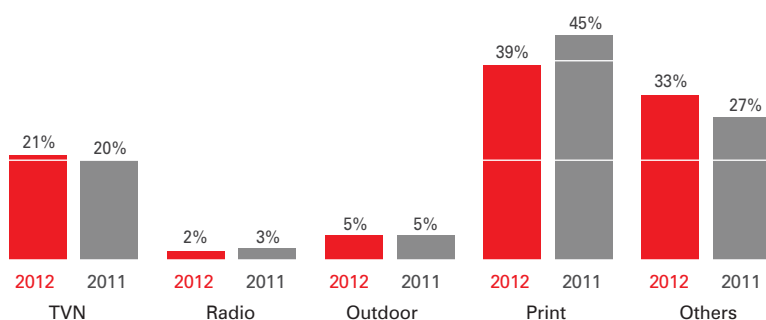
Segment Operating Revenue for the Financial Year Ended 31 December



Segment Profit After Tax for the Financial Year Ended 31 December



Segment Assets as at 31 December





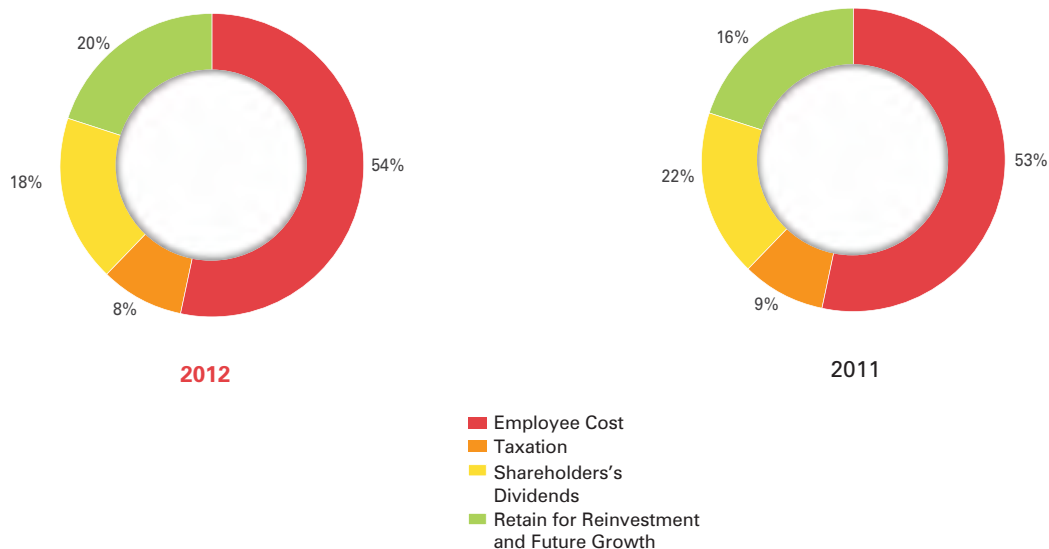
Statement of Value Added & Distribution of Value Added

	FYE 2012 RM'000	FYE 2011 RM'000
Net Revenue	1,697,845	1,622,133
Royalties	(3,847)	(3,753)
Operating Expenses	(547,121)	(509,514)
Value Added by The Group	1,146,877	1,108,866
Other Operating Income	11,701	16,390
Finance Income	9,141	8,538
Gain from Discontinued Operations	334	2,252
Overheads excluding Employee Cost	(307,186)	(301,743)
Interest and Finance Charges	(27,451)	(32,085)
Associate Profits	7,926	3,107
Value Added for Distribution	841,342	805,325

Distribution of Profits

1. To Employees – Employee Cost	455,690	425,739
2. To Government – Taxation	71,967	71,416
3. To Shareholders		
– Dividend	147,299	171,242
– Non-Controlling Interest	448	2,972
4. Retain for Reinvestment and Future Growth		
– Depreciation, Impairment and Amortisation	102,373	99,592
– Retained Profits	63,565	34,364
Total Distributed	841,342	805,325

Distribution of Value Added

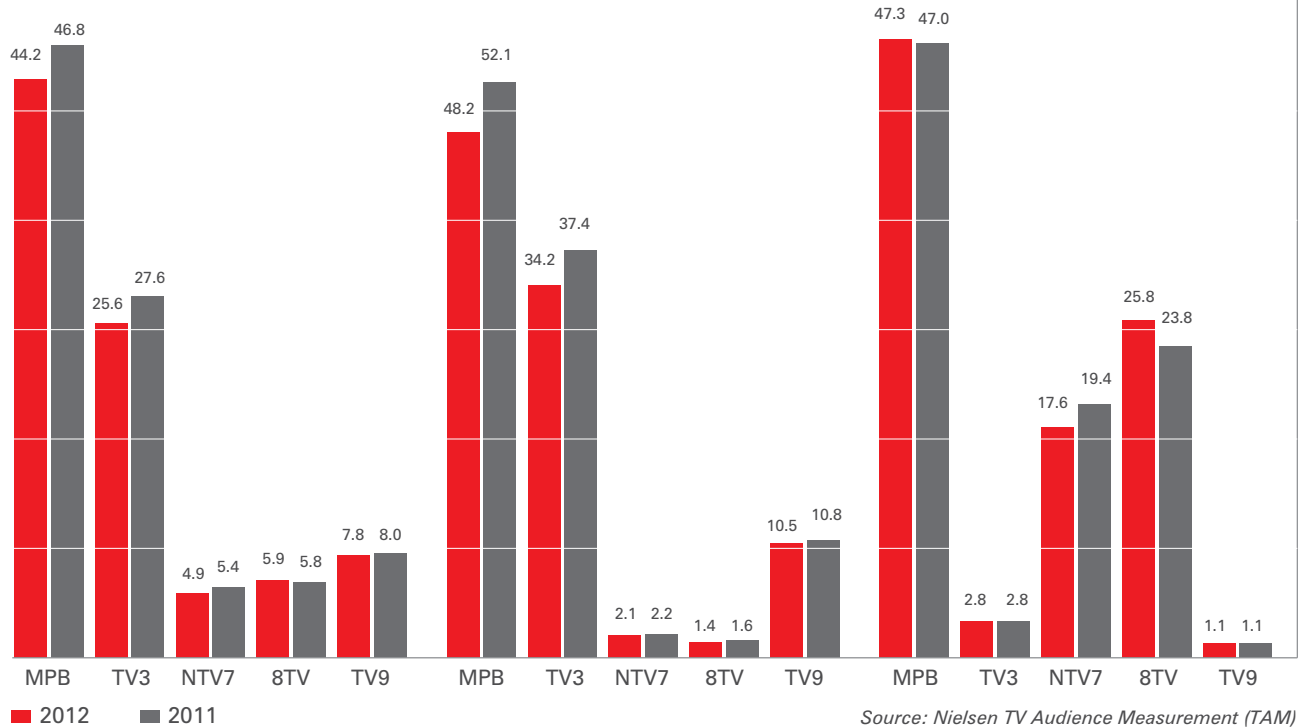


Viewership, Listenership & Readership Data

Total 4+ % of Viewing Share
Universe: 20,078,205

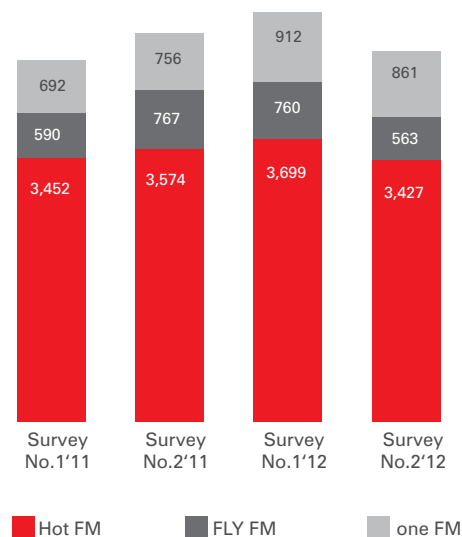
Malay 4+ % of Viewing Share
Universe: 13,124,943

Chinese 4+ % of Viewing Share
Universe: 5,330,358



Listenership – Radio Network Reach (000's) All People 10+

Source: Nielsen Radio Audience Measurement (RAM)



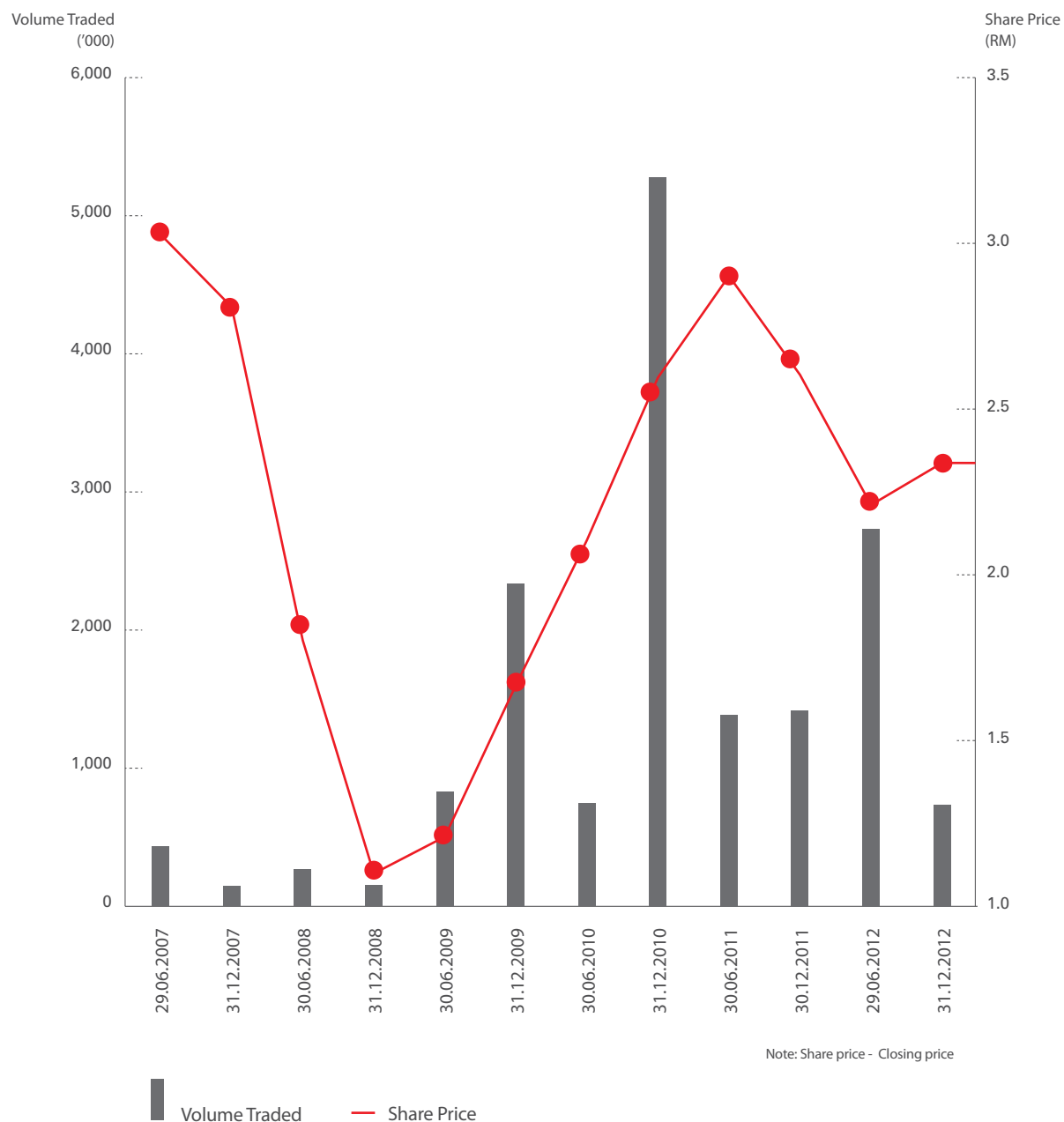
Total Readership Trend (000's)

Source: Nielsen Consumer and Media View





Share Price Chart



Group Financial Review

REVENUE

For the financial year (FY) ended 31 December 2012, the Group's revenue increased by 4.9% to RM1.70 billion from RM1.62 billion in FY2011. This increase was mainly attributed to the moderate growth in advertisement expenditure (adex) growth which in turn was driven by Malaysia's overall adex growth of 6.3% to RM11.4 billion.

TV Networks

Overall revenue for TV networks during the year was boosted by Non-Traditional Advertisers (NTA) spending and festive seasons, showing an increase of 3.2% to RM712.1 million. Adex in free-to air (FTA) TV stood at RM3.2 billion compared with RM3.0 billion in FY2011.

Print Media

Continuous product improvement in Print Media has resulted in revenue growth, especially in advertising revenue where an 8.7% adex growth was registered driven by its strength in the Malay mass sector, led by the daily Harian Metro followed by Metro Ahad. Its market share has also improved to 31.4% compared with 30% in FY2011.

Outdoor Media

Outdoor Media recorded 5.8% revenue growth, with increased contribution from display rental and production revenue. The Outdoor Media Division continues to offer innovative and creative advertising solutions that attract the attention of consumers.

Radio Networks

Growth in revenue of 7% was driven by the strengthening in Chinese market segment and East Coast segment. Overall radio industry adex grew 5.2% to RM449.96 million in the same period this year.

Corporate and Other Services

Corporate and Other Services comprises of digital media and content creation. Under Media Prima Digital, the Group owns Tonton, the nation's premiere video portal and manages the country's leading newspapers online, New Straits Times, Harian Metro and BH. The segment commanded RM46.6 million in revenue, attributed by the increased in advertising spending by NTA as well as continuous investment in quality content and digital media.

OPERATING EXPENSES

For the FY2012, the Group's operating costs increased by 5.7% primarily due to higher amortisation of programmes, films

rights and album production costs, increase in newsprint and production cost, higher employee benefits costs and depreciation.

Amortisation of programmes, film rights and album production costs

The group amortisation on programmes and film rights has increased by 3.5% to RM185.4 million during FY2012 as a result of investment in high quality contents while emphasising on local productions as well as ground events.

Newsprint and production cost

During the FY2012, the Print Media segment has continued with its product improvement as well as increase in pagination that resulted in higher newsprint and production cost by 3.5% to RM233.2 million.

Employee benefits costs

In the current financial year, employee benefits costs rose by 7.0% to RM455.7 million as compared to RM425.7 million in FY2011. The increase was mainly attributed to higher salaries and allowances, pursuant to the annual increment for 2012 and increase in staff headcount in line with business growth. The Group's staff costs accounted for 32.2% of total operating expenses.

Depreciation

Higher depreciation charged by 5.8% to RM98.6 million compared to RM93.2 million in the preceding financial year was coherent with additions during the financial year, particularly on broadcasting and transmission equipment, outdoor advertising structure as well as office equipment, furniture and fittings.

TAXATION

For the reporting period 31 December 2012, the Group improved its effective tax rate from 25.7% in FY2011 to 25.4% due to certain tax adjustments on temporary differences that give rise to the savings.

TOTAL ASSETS

As at 31 December 2012, the total asset amounted to RM2,668.2 million, an increase of 8.3% from RM2,463.6 million in the previous financial year mainly backed by the increase in the Group's deposits, cash and bank balances in addition to an increase in trade and other receivables.

Deposits, cash and bank balances

Deposits, cash and bank balances increased from RM450.1 million in FY2011 to RM682.4 million in FY2012

due to the drawdown from Commercial Papers Medium Term Notes (CPMTN) programme of RM300.0 million that the Group undertook during the financial year.

Trade and other receivables

Trade and other receivables were recorded at RM435.4 million representing an increase of 14.6% compared to RM379.8 million in FY2011.

TOTAL LIABILITIES

As at 31 December 2012, the Group's total liabilities increased by 10.1% to RM1,101.4 million, primarily attributed by higher borrowings in respect of the CPMTN.

Borrowings

At the end of FY2012, the Group's borrowings of RM682.7 million were up by 35.6% against preceding year end and mainly due to the new CPMTN amounting to RM300.0 million.

The new borrowing was offset by the redemption of the Group's Bank Guaranteed Medium Term Notes (BGMTN) of RM100.0 million, leaving a net impact of RM200.0 million.

TOTAL EQUITY

The total equity had increased by 7.1% from RM1,463.3 million in FY2011 to RM1,566.7 million in FY2012 generally contributed by FY2012 profits net of dividends as well as the increase in share capital and share premium upon the exercise of Group Employee Share Option Scheme (ESOS) and warrants.

Earnings Per Share (EPS) and Return On Equity (ROE)

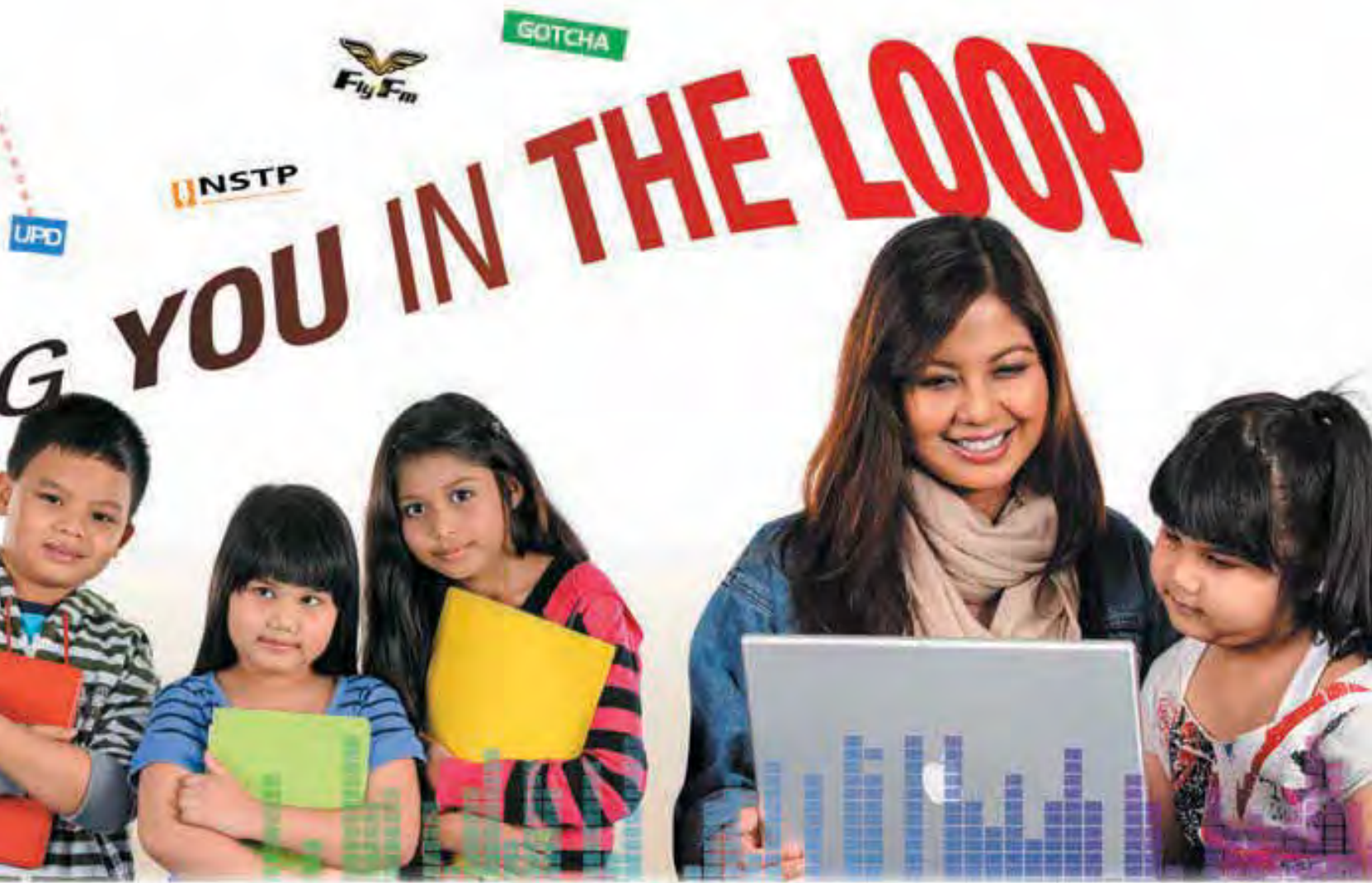
As a result of higher weighted ordinary share in issue at the end of FY2012, the basic EPS reduced from 19.68 sen per ordinary share in FY2011 to 19.45 sen per ordinary share in FY2012. Accordingly, the ROE also reduced from 14.1% in FY2011 to 13.4% in FY2012.

Dividends

For FY2012, the Company has paid its first and second single-tier interim dividend of 6 sen per ordinary share amounting to RM64.8 million on 28 September 2012 and 28 December 2012 respectively. The Board of Directors had recommended a final single-tier dividend of 7.0 sen per ordinary share in respect of the financial year ended 31 December 2012. With the recommendation of the final single-tier dividend, total dividends for the current financial year are 13.0 sen per ordinary share.



SETTING NEW STANDARDS...



At its best, the media can educate, inform and entertain. By supporting and promoting educational projects and scholarship programmes, as well as advocating campaigns and seminars that stimulates intellect and creativity, we hope to create a more enlightened and engaging society. Constant innovation will also ensure we stay ahead of the game and stay in tune with the evolving technological landscape and related changes in social behaviour and market dynamics.



Human Capital Development



Media Prima continues to promote a workplace that provides continuous career development and rewards our people. The Group recognises the importance of educating our employees on editorial policies for creating and disseminating responsible content that reflects aspects of Human Rights. We pride ourselves on being an employer of choice and will continue to create the right culture in our workplace.

LOCAL HIRING

It is our responsibility to build a heritage of economic progress by providing local employment opportunities and investing in the Company's workforce. Local employment helps us meet our hiring needs while advancing economic development and education in Malaysia. In 2012, 99% of our employees were locally hired which comprises 88% local and 12% overseas graduates.

COMPETITIVE REMUNERATION AND BENEFITS

Media Prima conducts a remuneration review once in every three years to determine adequate remuneration for employees. This helps us align our remuneration packages with the changing business environment. We can be more equitable in rewarding high achievers at the workplace, develop employee talent and determine our competitiveness vis-à-vis the market.

In 2012, we have revised seven types of allowances for employees in order to remain competitive in the market. A percentage of employees' basic salaries are deposited to the Employees Provident Fund (EPF) as per statutory requirements. This contribution is inclusive of the contribution of the Employer to the Employees Provident Fund required by law from time to time.

PERFORMANCE MEASUREMENT

Media Prima Updated Performance Evaluation Modal



Employee compensation is linked to performance which is measured across various Key Performance Indicators (KPIs). Media Prima uses a point-based system which ranges from one to five to determine the weight of the bonus with five being the highest performance. The process is used to assess all employees (100%).

TALENT DEVELOPMENT MANAGEMENT



We focus carefully on talent succession and development throughout 2012. Apart from traditional training activities, we organised international study visits to China, Australia, Indonesia, Thailand and United Kingdom. We also facilitate employees exchange via attachment with other TV stations and production houses.

In 2012, our third training calendar was released offering **599** courses that were delivered throughout the year. This programme recorded **13,584** total training man days with a total investment of **RM4,581,479.39**.

Group Internal Training Courses in 2012

Type of Course	Number of Course	Number of Attendees	Mandays	Investment (RM)
Functional	189	3,239	3,495	611,281.88
Organisational	37	860	866	183,422.20
Leadership	7	74	115	36,795
Total	233	4,173	4,476	831,499.08

Group External Training Courses In 2012

Type of Course	Number of Course	Number of Attendees	Mandays	Investment (RM)
Functional	297	2,146	5,069	2,044,730.08
Organisational	54	1,924	3,637	1,385,793.20
Leadership	15	594	402	319,457.03
Total	366	4,664	9,108	3,749,980.31



Human Capital Development



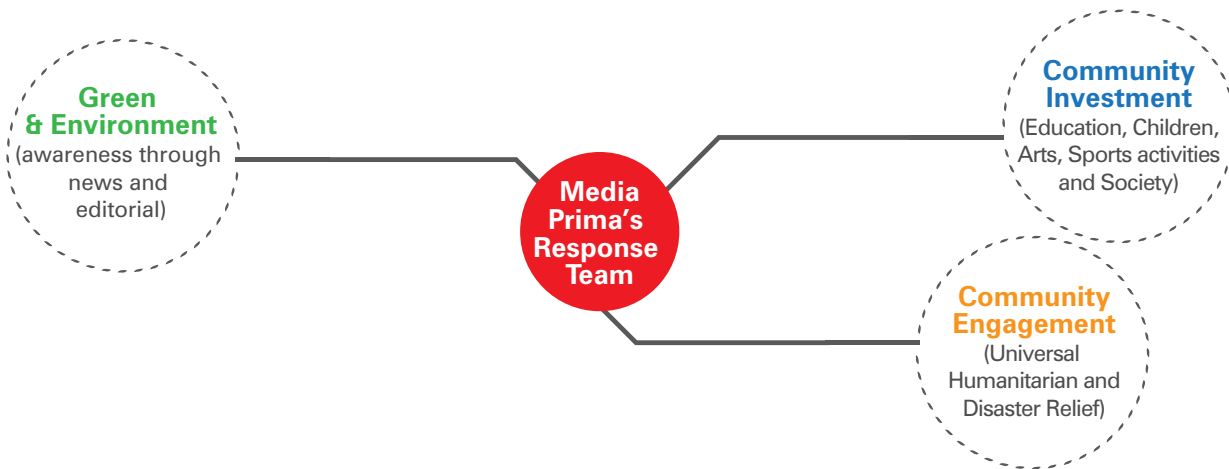
EMPLOYEE RELATIONS

The Group considers the general interests of its employees to encourage a work-life balance. Media Prima hosted various employee relations activities in 2012 including Kilos for Cash, Sports Carnival 2012, Kelab Bahasa Arab and Al-Quran and Battle of the Bands 2012. In addition, our Kelab Media Prima and Kelab Sukan dan Rekreasi NSTP regularly conduct fun and exciting programmes for their members. A full list of our Employee Relations activities can be found in the Media Prima Sustainability Report 2012.

INCLUSIVITY AT THE WORKPLACE

A Volunteers Brigade (*Briged Sukarelawan*) has been formed which currently involves 102 employees. The Brigade is trained to provide appropriate “response team-structure” for identified CSR initiatives. The size and budget of the brigade is determined for the different CSR initiatives depending on the degree of involvement and location.

The response team structure is categorised as follows:



DIVERSITY

Media Prima is committed to diversity in its workplace which has a balanced mix of employment types, contracts, gender and races. The Group does not tolerate any form of discrimination based on race, creed, disability, gender, marital or maternity status, religious or political beliefs, age or sexual orientation. Decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on the co-worker's performance at work. 16.72% of the management team at Media Prima are women.

Three groups of Union in MPB:

- National Union of Journalist (NUJ) which represents 22% of The News Straits Times Press Sdn Bhd employees
- National Union of Newspaper Workers (NUNW) which represents 30% of The News Straits Times Press Sdn Bhd employees
- Kesatuan Sekerja Kakitangan Sistem Televisyen Malaysia Berhad (KSKSTMB) which represents 21% of Sistem Televisyen Malaysia Berhad employees

COLLECTIVE AGREEMENT AND FREEDOM OF ASSOCIATION

Media Prima works closely with the Union and its employees to ensure that they enjoy their right to be informed, monitor and be included in the decision-making process. This helps safeguard their rights and interests as well as providing a greater sense of ownership of their work. We encourage transparency and openness in the workplace.

There are three main areas covered in the collective bargaining agreement: General Provision; Employer – Union Relationship; and Provisions and Employment Terms.

The established provisions of the Collective Agreement clearly demonstrate Media Prima's commitment to cooperating with the Union in any arising employment issues.



Occupational Safety and Health



We provide relevant safety and health training and require strict adherence...

Media Prima is committed to providing a safe and conducive work environment. We provide relevant safety and health training and require strict adherence to safety rules and procedures. We also employ qualified safety and health personnel and acquire appropriate equipment to achieve our objectives and goals.

It is everyone's responsibility to promote safe behaviour by reporting accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor. All employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

OSH COMMITTEE

Media Prima has established an Occupational Safety and Health (OSH) Committee for the effective management of safety and health issues. It is a forum where health and safety problems can be identified and resolved. Safe systems and procedures can also be developed and monitored.

The committee meets on a quarterly basis or whenever required such as to investigate an accident. It oversees the development of safety and health rules and a safe system of work. The Committee ensures full compliance with the Occupational Safety and Health Act 1994 (Act 514) Sections 30 and 31 and Occupational Safety and Health (Safety and Health Committee) Regulations 1996. It also reviews the effectiveness of safety and health programmes. Other functions and roles include:

- Conducting studies on the trends of accidents, near-misses, dangerous occurrences, occupational poisoning or occupational diseases which occur at Media Prima;
- Reporting any unsafe or unhealthy conditions or practices together with recommendations for corrective actions to the Management;
- Reviewing the safety and health policies and recommending any revisions;
- Inspecting Media Prima sites at least quarterly to confirm there is nothing prejudicial to the safety and health of employees or the public;
- Discussing any observations made by members of the committee and making recommendations to the Management;
- Inspecting the place of work after any accidents, near-misses, dangerous occurrences, occupational poisoning or occupational diseases have occurred in the workplace.

Departmental OSH Sub Committees (OSUBC) also manage departmental safety and health activities within the OSH Management System requirements. This committee maintains all relevant records at the departmental level and ensures the implementation of OSH objectives and targets in-line with the Departmental OSH Management Programmes.

Media Prima incident statistics are presented below. All indicators have improved from the previous year. However, Media Prima will continue to take precautionary approaches to eliminate the risk of re-occurrence.

	2011	2012
Injury rate (IR) for total workforce	15	10
Occupational diseases rate (ODR) for total workforce	0	0
Lost day rate (LDR) for total workforce	558	267
Absentee rate (AR) for total workforce	0	0
Absolute number of fatalities for total workforce	0	0

The table below lists the type of incidents which occurred in 2012. Media Prima's continual focus on its mission to reduce workplace injuries, illnesses and fatalities help make good jobs, safe jobs. For this reason, we continue to develop comprehensive training programmes which focus on safe work practices, safe job procedures and wellness.

Location of Injury	Type of Injury
TV and Radio Network	Ligament torn while trying to stand up from hunker position
	Middle finger crack after slip and fall while entering car
	Ankle injury after slip and fall
	Back muscle pain after being hit by tumble light stand during live radio telecast
	Meniscus torn due to adventurous activity
	Pain from waist to toe of right leg, suspected due to ergonomic weight lifting issue
	Back muscle claimed due to ergonomic weight lifting and shelving method
NSTP Printing Plants	Thumb pinched between rotating plate cylinder
	Left hand ring finger stuck between folder pin and finger guard while trying to repair the jammed wire stitcher
	Cut at top index finger of right hand while trying to replace slitter knife



Occupational Safety and Health



OSH training conducted in 2012

At Media Prima, safety is our number one priority. We not only have a tradition of safety at work, but strongly encourage our employees to carry this mindset beyond the workplace into their homes and communities. A list of training programmes conducted in 2012 is presented below.

Topic	No. of Participants	Date
TM Niosh safety	1	23 April 2012
HIRARC Training	1	23-25 April 2012
Producer Risk Assessment	12	15 May 2012
Occupational First Aid and CPR	16	13 – 14 June 2012
Safety at work	13	20 June 2012
OSH: talks safety lightning	22	21 June 2012
Working at height	6	10 July 2012
Fire prevention Awareness	14	25 July 2012
OSH: talks safety lightning	19	13 August 2012
TM Niosh safety one off entrance	8	9, 14 and 23 August 2012
Scaffolding basic 3 in 1	4	1 – 10 October 2012

Topic	No. of Participants	Date
Basic working at height	7	29 – 30 October 2012
Basic working at height	3	19 – 20 November 2012
Scaffolding basic 3 in 1	3	26 November – 5 December 2012

SAFETY MEASURES FOR SUPPLIERS AND SUB-CONTRACTORS

The OHSAS Steering Committee, led by the OHSAS-MR or a designee, develops a process to obtain and review contractor method statements. Prior to on-site work, all contractors are furnished with relevant information and documents to ensure they comply with Media Prima's OSH Management System. Every contractor must submit a completed contractor method statement which clearly outlines the initiating activity. A method statement is prepared by a contractor which outlines the work to be undertaken and the method for minimising and managing OSH hazards and risks. The method statement includes an assessment of OSH issues associated with specified work activities.

Media Prima takes the following precautionary measures before allowing any employees or contractors to work at height:

- Assessment of environment and weather conditions
- Organisation of fall prevention equipment
- Safe access and egress for public protection
- Allowable clearances from overhead power lines
- Personal Protective Equipment (PPE)
- Manual handling
- The means of rescuing persons from safety harnesses following arrested falls
- Protection of portable electric tools by having them tagged and tested

Several types of equipment may be used to minimise risks include scaffolding, fixed and mobile work platform, ladder, safety harness, fall arrestor, hard hat, toe boards and waist high barriers. Careful protection is also given to workers at highway areas. PPE provided for maintenance work at highway areas include a head safety helmet, eye glasses or goggles, safety vest, gloves and safety boots.

Customers and Suppliers Development

ENGAGEMENT WITH CUSTOMERS

Karnival Jom Heboh (KJH) emerged as the epitome of leisure for the whole family which promotes the Government's agenda of togetherness of family and society. It is also part of our branding strategy of being portrayed as an event not just a TV channel. This active engagement platform is a cross-promotional activity which also encourages on-the-ground promotion and live production. Viewers are able to meet and engage with their favourite artists and engage with them at our booths. We utilise an average of five to six sessions where we broadcast live happenings at every KJH location. To ensure an effective promotion, we always try to relate the crowd with the programme we are promoting.

KJH has been received enthusiastically in each of the nine locations visited. KJH is a platform for TV3 to engage with its loyal audience through many fun and healthy activities. It also provided commercial growth and opportunities, with SME and corporate clients being invited to promote their products. TV3 renowned booths such as Studio Cereka, Studio 3, Wanita Inspirasiku, Kota Ilmu, Buletin Utama, My TV3 and TV3 Kids were present. KJH is also charity focussed as the team also visits and presents donations to the underprivileged. The climax of the event is a concert that featured Malaysia's best industry talents for TV3's loyal audience.

Karnival Jom Heboh (KJH) emerged as the epitome of leisure for the whole family...



RESPONSIBLE OPERATIONS

Media Prima adheres to the national policy of responsible marketing set by the *Lembaga Penapisan Film*. The Company also adheres to two main censorship acts:

- *Film Censorship Act 2002 (Act 620)*
- *Censorship Guidelines (KDN) 2010*

These acts determine whether a film is categorised as (U), P13, 18 or TUT (Tidak Lulus Untuk Ditayangkan) and if it contains dialogue or scenes that must be censored. Film screening judgments are made based on the rules and criteria set by the three basic documents of the Film Censorship Act, Guidelines and User-Specific Censorship. Any film passed with compulsory cuts must be edited by the distributor before the film is released or screened. These are either edited in a studio in the case of digital or television screenings or by physically removing the offending section from the film. Media Prima has adopted practices for managing, moderating and/or filtering user generated content including user codes of conduct.



Customers and Suppliers Development

Our responsible marketing policy strictly adheres to the Malaysian Communications and Multimedia Commission (MCMC) Act. It also complies with the guidelines from the Association of Accredited Advertising Agents Malaysia (4As). Our editorial and print media content complies with the regulations governed by the Malaysian Communications and Multimedia Content Code and all other publication guidelines under the Ministry of Home Affairs (KDN). Media Prima's content dissemination promotes equity of access to content and products for audiences.

Reaching Out to all Stakeholders

Media Prima is committed to engaging with every geographical area nationwide. Our branch offices and bureau chief ensure that each publication covers nationwide news. Our customers belong to various demographic groups including differing ethnic groups, age groups, income levels and backgrounds. We endeavour to report news which is fair, non-partisan and covers demographic profiles as far as is possible. Our management approach promotes informed decision making by media consumers and audiences. It also protects vulnerable audiences. The review process is conducted by our editorial team and managed by the Group Editor and Deputy Group Editor of each publication. The team meets daily to oversee news decisions on the need layout and page positioning for the most effective readership.

SOURCING AND MANAGING OF PROGRAMMES

Media Prima is committed to providing the best experience to our viewers. We deliver the most sought-after programmes by examining market trends and researching what people want. We conduct fair and transparent business and prioritise editorial independence, content quality, plurality and diversity.

It is the responsibility of our Acquisition and Content Management (ACM) Team and the Brand Management Group (BMG) to respond to the market and secure in-demand programmes. A Financial Evaluation Report, which contains detailed analysis of a programme including a Return on Investment projection, is tabled at our monthly programme committee meeting for approval or rejection. The Media Prima's Programme Committee also decides on the platform to air the programme. The BMG team presents a master schedule to ensure our programme offering has a balanced combination of programmes suitable for all demographic groups. This master schedule contains the programmes that are planned for a specified period.

SOURCING AND MANAGING OF ARTISTES

Artistes' are managed by Media Prima's subsidiary, the Talent Unit Sdn Bhd, also known as the 8unit. In searching for new talents, the 8 unit prioritises local artistes, especially those who have been groomed through our in-house programme. In-house reality TV shows are an effective platform to identify outstanding talents among artistes. Several TV reality shows provide an effective platform for discovering outstanding talents in the market. These previously included Malaysian Idol, Project Superstar and One In A Million. Currently, we are focusing on the ongoing show, Mentor.

Our team also conducts an active talent scouting programme to search for potential outstanding artistes through various on-the-ground activities and by participating in activities conducted by each of Media Prima's TV programmes. Sought-after traits consist of credibility, personality, industry knowledge and other role specific criteria including vocal skills, attractive appearance and age.

Once hired, the 8unit helps these artistes realise their dreams and create memorable lifetime moments. Our management team provides continuous career development and coaching. We provide regular training sessions depending on their credibility and attributes required to perform their roles. We also create opportunities for our artistes to collaborate with Malaysia's favourite artistes.

ENSURING QUALITY AND SATISFACTION

Audience satisfaction is essential for the success of our multi-platform media business. We employ the best tools to assess the quality of our programmes and set the market standards. Getting to know what matters most to our audience – how they spend their time consuming media content, what time of day and lifestyle choices – remain the focus of how audience research is conducted at Media Prima. Media Prima's Research Department uses the Nielsen Audience Measurement data to monitor programme performance to generate reports which are useful indicators for internal assessments and benchmarking our programmes against competitors.

How do the research and ratings work?

Nielsen conducted an establishment survey to determine the TV population and media users among 10,000 adults in Peninsular Malaysia. The findings serve as a guide to avoid an uneven skew and to align the sample with the demographics provided by the Statistics Department of Malaysia. General demographics such as gender, age, race, location, population size and household Income are obtained. Other areas critical to TV viewing are also covered including clarity, ownership of satellite TV and number of television sets.

CUSTOMER SATISFACTION

Media Prima complies with the rules and regulations established by the General Consumers Code 2003. A Customer Complaint process and a Customer Satisfaction rating have been established throughout the Company to ensure high standards of programming.

Media Prima's complaints process is managed by the Brand Management Group which has been established under the General Consumer Code. Media Prima complies with the Malaysia Communications and Multimedia Commission (MCMC) policy on customer feedback. We ensure that 90% of all complaints are resolved within 15 days.

WIDENING OUR CUSTOMER PLATFORM

Tonton.com.my, the number one Malaysian video portal was launched in August 2010 and is developed for a world-class video viewing experience that sits on an intelligent platform. The video portal serves as an integrated catch-up TV service that previously resided on several different TV portals. It enables Media Prima to deliver even more content, user interactivity and personalisation to the market.

2012 has been a remarkable year for Tonton. Integration evolved into providing live streaming on global events with 360 degree engagement with TV, radio, print to social media platforms. It is now the one stop destination for local news from Media Prima TV Networks (TV3, ntv7, 8TV and TV9). The LIVE TV Service (TV Everywhere) allows viewers to stream Media Prima TV channels live via their computers, tables or smartphones. In addition, Tonton Player on Harian Metro's website (www.hmetro.com.my) is also being developed as part of the Group's effort to sustain an integrated media platform.

Tonton's management team adopts special content management and scheduling processes to ensure Tonton's content continues to be attractive, relevant and in-demand. Programmes featured are highly dependent on the weekly

viewership appeal. These include the most talked-about show of the week or the day, new content not available on TV channels and other bonus packages. Our programme scheduling is based on site analytics studies which show internet traffic trends. Tonton consults current trends before formulating programme schedules. The management team also reviews our programmes regularly to deliver a broad spectrum of programmes which are suitable for all demographic groups.

In 2012, emphasis was placed on widening the reach of Tonton. Tonton joined all ground events organised at Media Prima to create brand identity and promote public awareness. We are pleased to report a good response from these activities with an average of 50 to 100 new account registrations being received per hour at each event.

SUSTAINABLE PROCUREMENT

Media Prima's Supplier Code of Conduct outlines ethical standards which must be practiced by all supply chain partners. We ensure that our supply chain partners comply with all relevant statutory requirements before appointing them. We have implemented detailed supplier selection guidelines which assess the following five core criteria:

Five core criteria for supplier selection guidelines



On occasion, green elements are requested from a service provider who must comply with the requirements as specified under the job description. A supplier's evaluation process is conducted upon project completion. During this process, performance gaps are highlighted and feedback is provided to each supplier for future improvements.



Corporate Responsibility

We integrate our **community** initiatives...

At Media Prima, we are fully committed to good corporate citizenship. Media Prima and its subsidiaries continued to support a variety of worthwhile causes throughout the year. We integrate our community initiatives into our business to make our efforts more sustainable. Media Prima's community programmes are decided according to their focus. In 2012, the four strategic core areas are categorised as Education, Humanitarian, Health and Sports, and Other Community Initiatives.

This section highlights some significant Corporate Responsibility (CR) initiatives by various business platforms at Media Prima. For full disclosure of these initiatives and other CR programmes can be found in the Media Prima Annual Report 2012.



Education	Media Prima	Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR)
	NST	New Straits Times Newspaper-In-Education (NIE) School Holiday Programme News@Work The Inside Scoop Series School Times NIEXTER Journalism On Campus NiEXUS U-phoria RHB New Straits Times National Spell-It-Right Challenge 2012 English Development Programme
	BH	Examination Workshops and Seminars Akhbar Dalam Darjah (ADD) Workshops Education Pullouts guru.net.my
	8TV	8TV Newscaster Camp
	ntv7	Super Smart Mandarin Battle Star Season 3
	Media Prima Radio Networks	LIVE OUT LOUD (L.O.L) • L.O.L I WANNA SCORE • L.O.L INSPIRASIKU • L.O.L Hangatkan Sekolahku • L.O.L supports School Radio Project
Humanitarian	TV3	Tabung TV3 Bersamamu, Karnival Jom Heboh's charity
	NSTP	NSTP Charity Fund
Health and Sports	TV3	Soccer Kids All Stars (Season 4) Bananana School Attack – Kids TV3
	ntv7	Feel Good Run
	NST	CEO and Celebrity Charity Tennis
Other Community Initiatives	TV3 AND TV9	Uli-Uli Biskut Raya Bersama Julie's
	ntv7	Bella Gives Back – Hari Raya Special Golden Awards Workshop
	8TV	Celebr8ty Char8ty Car Wash Save the Turtles! Showdown StreetFest and Best in The World Bazaar The SHOUT! MOVEMENT
	TV9	Raudhah Di Hatiku Kita Punya Kambing Golek Kita Punya Rambut Raya
	NST	New Straits Times Session with New Muslims
	BH	Semarak Ramadan
	Harian Metro	Titipan Kasih HARIAN METRO
	Media Prima Digital	Gotong-royong at the Pondok Penyayang Raudhah Build a Home
	Media Prima Radio Networks	Fly FM Book Drive Fly FM Book Drive Hot FM Buka Bonet one FM Adopt a Dog



Corporate Responsibility

PROMOTING INTELLIGENCE, NURTURING TALENT & ADVOCATING RESPONSIBILITY (PINTAR)

Media Prima continued its contribution to education through the PINTAR programme. PINTAR is a collaborative social responsibility initiative by PINTAR Foundation. It works in collaboration with GLCs and private corporations in Malaysia to foster academic and non-academic excellence particularly for the underserved students nationwide through its school adoption programme. In 2012, we continued our support for two schools; SMK Jelutong and SK Cherating. Our contributions were used to fund various educational activities and provide educational assistance. Projects undertaken included engagement sessions with parents and school teachers, extra tuition classes, motivation courses and co-curricular activities.

We are pleased that these efforts have been well received by the schools and students involved. In 2012, the pass rate of students sitting for the Penilaian Menengah Rendah (PMR) examinations for all subjects was above 60%. The percentage of SK Cherating students who achieved 2As and above in the Ujian Penilaian Sekolah Rendah (UPSR) 2012 also increased by almost 18% compared to 2010.

Bersamamu

In May 2005, TV3 proudly unveiled its steadfast CSR themed signature programme, *Bersamamu*. This charity programme continues to receive an overwhelming response and has built closer ties with communities. Aired every Wednesday at 9.30pm, it aims to raise public awareness of the beauty of charity. This is part of TV3's social responsibility initiatives to help ease the burden of underprivileged people. During each programme, TV3

highlights the difficulties faced by some people. It encourages viewers to donate money and join related charity drives. Although the *Bersamamu* programme for 2012 concluded on 30 May, the '*Tabung Bersamamu*' continues to receive public contributions to help the *Bersamamu* families.

Tabung TV3, Special Purpose and TV3 Bersamamu Funds

In 2001, *Tabung TV3* was established to encourage the public's ongoing participation in and contribution to on-the-ground activities and other charitable events. This fund benefits the society's needy and less fortunate.

Tabung TV3's selection and assessment process is guided by examining a broad spectrum of community needs including the disabled; disadvantaged; victims of catastrophes or natural disasters; those with social or health problems; war victims; and festive goodwill such as Hari Raya Puasa, Chinese New Year, Deepavali and Christmas.

TV3 Bersamamu Fund was established in 2005 to encourage participation and contribution from the public through the on-air programme, *Bersamamu*. It also covers on-the-ground related activities. The Fund is intended for use in a one-time campaign for a specific duration. Donations help supply the target group with humanitarian aid such as medical supplies, food supplies and basic essentials.

Raudhah Di Hatiku

TV9's *Raudhah di Hatiku* is an on ground event held at various mosques with an objective to change public perception of mosque as not merely an institution of worship, but also serves as a community hub. The idea was conceptualised in 2011, with the genuine intention of reaching the hearts of TV9's viewers through community based activities. Due to overwhelming and positive responses, *Raudhah di Hatiku* is now an annual event on TV9's calendar.

In its second year (2012), *Raudhah di Hatiku* attracted more than 30,000 visitors! TV9 has explored three mosques that are situated at urban and affluent residential areas, to further alter the preconceptions that religious content are only followed by the rural audiences. *Raudhah di Hatiku* has proven that religious content is followed by all types of people, including in inner-city centers with higher standards of living.



Mosque	Date
Masjid Al-Hidayah, Taman Melawati	8 September 2012
Masjid Al-Falah, USJ 9, Subang Jaya	29 September 2012
Masjid As-Salam, Puchong Perdana	13 October 2012

TV9 continues to espouse that religious content could be modern, fashionable, innovative and progressive in its efforts to attract young fresh mass Malay target audiences. These elements were externalised in numerous Raudhah di Hatiku's creative activities such as calligraphy exhibition, a dedicated Muslimah booth called Lin-Nisa and lomography display.

Visitors were also excited to meet and take photos with well-known religious figures and celebrities such as Datuk Abu Hassan Din Al-Hafiz, Al-Mawlid group, Diana Amir, Farah Asyikin, Liyana Hisham, Noryn Aziz, Ustaz Mohd Safwan Syafiq, Ustazah Asni Mansor, Syed Mohd Khair, Yat Hamzah, Zuhairah Mustafa Al-Husin and many more.

Kita Punya Kambing Golek

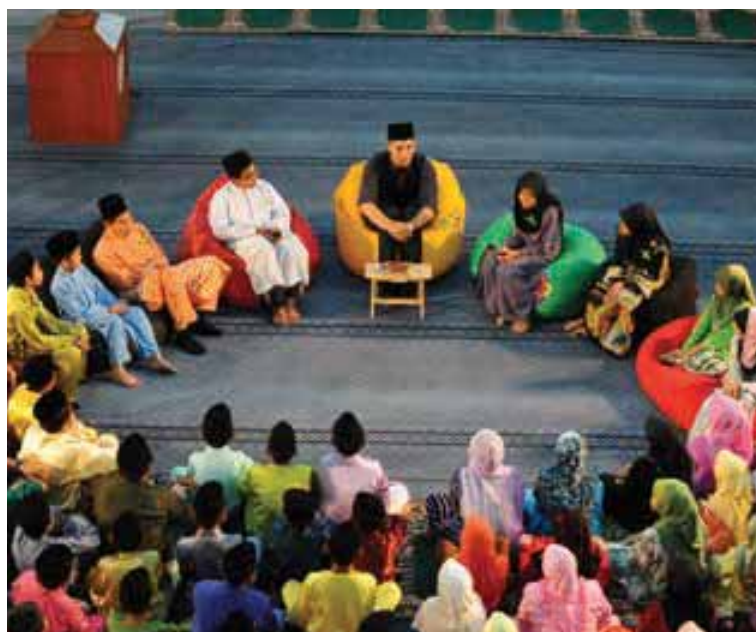
In the spirit of the holy month of Ramadan, TV9 distributed hundreds of free grilled lambs through its on ground activation called '*Kita Punya Kambing Golek*.' The activation is aimed to promote and cultivate the spirit of giving, as well as to bring the station closer to its viewers. The grilled lambs served as iftar meals were given to students of Multimedia University at Cyberjaya, the asnaf factions in Baitul Hasanah, Kuala Selangor and TV9's loyal viewers at Restoran Singgah Selalu, Johor Bahru.

Kita Punya Rambut Raya

30 members of the media were treated with free hair makeovers at A-Saloon, Kelana Jaya few days prior to Aidilfitri. This initiative was TV9's special and unique approach to thank the media for all their support. The event was considered unique, one-of-a kind and has never been done before. We received great feedbacks from members of the media who were all very pleased with the pampering session.

Tabung Bencana NSTP-MEDIA PRIMA

The *Tabung Bencana* NSTP-Media Prima is a platform for the general public to donate money to major catastrophes, natural disasters and humanitarian crises. The Tabung Bencana NSTP-Media Prima was launched on 1 October 2009 in response to a huge earthquake that occurred in Padang, Sumatera which also affected other Southeast Asian countries. NSTP has been a platform for the general public to donate to major catastrophes, natural disasters and humanitarian crises. Well-known campaigns include the Thailand Flood Fund, Japanese Tsunami Fund and Padang Earthquake Fund.





Corporate Responsibility



Locally, the fund also covered campaigns such as flood relief missions under the *Misi Bantuan Banjir*. The *Tabung Bencana* NSTP-Media Prima supported eight campaigns in 2012. Various flood victims from the states of Sarawak, Terengganu, Kelantan, Pahang and Selangor were helped. Flood victims in Thailand were also helped and Tabung Bercana extended its support to famine victims in Somalia.

Harian Metro – Titipan Kasih HARIAN METRO

The leading Malay newspaper, Harian Metro, is a strong advocate of CSR which fulfils its social obligations to its readers and the community. The *Titipan Kasih Harian Metro* was the first initiative introduced in 2007. Cases appearing in “*Metro Prihatin*” column highlight the plights of poor families in need of assistance. These families are supported by *Titipan Kasih* Harian Metro programme which visited the affected families and provided groceries. They also gave financial aid to help purchase school uniforms and settle outstanding utility bills.

Summary of families benefiting from Titipan Kasih HARIAN METRO

Date	Venue	Recipient
March 16 2012	Kampung Kubang Chenok, Padang Sera, Jitra, Kedah	Ban Ying a/p Siang, 36 (Single mother) Dependents – three children
May 4 2012	Kampung Paya Bunga, Kuala Terengganu, Terengganu	Suraya Abdul Karim, 39 (Single mother) Dependents – three children
May 16 2012	Kampung Kuala Sanglang, Perlis	Baadariyah Saayah, 43 Dependents – six children
June 28 2012	Kampung Sungai Rinting, Masai, Johor	Zulkefli Jusoh, 47 Dependents – 12 children
Sept 7 2012	Kampung Bendahara, Johor Bahru, Johor	Ruziah Masoki, 40 Dependents – eight children
May 16 2012	Kampung Kuala Sanglang, Perlis	Baadariyah Saayah, 43 Dependents – six children
June 28 2012	Kampung Sungai Rinting, Masai, Johor	Zulkefli Jusoh, 47 Dependents – 12 children
Sept 7 2012	Kampung Bendahara, Johor Bahru, Johor	Ruziah Masoki, 40 Dependents – eight children



Live Out Loud (L.O.L)

Live Out Loud (L.O.L) is the main community responsibility initiative for Media Prima Radio Networks which commenced in 2010. Spreading its wings to cover most aspects of education, this year's L.O.L organised various activities to meet its objectives from primary school to colleges. Various L.O.L programmes hosted by the Media Prima Radio Networks include L.O.L I Wanna Score, L.O.L Inspirasiku, L.O.L *Hangatkan Sekolahku* and L.O.L Supports.

Fly FM Book Drive

In support of literacy, Fly FM and E-curve held a special book drive to encourage the public to donate used books and unused reading materials to the children of Home for Children, Jagaan Amal Kanak-Kanak Praise Emmanuel (PECH), Rumah K.I.D.S and House of Joy. The public donated from 3 December 2012 until the event date, 15 December 2012. Fly FM announcers mingled with the children at the Ecurve and helped tell the classic tale, Little Red Riding Hood. The uprising star, Diandra Aljunaidi, made a special appearance. On 22 December 2012, almost 800 books and other reading materials were collected and divided equally across the four homes.

Build a Home

30 volunteers from Media Prima Digital, Human Resources and Finance travelled to Kedah to help construct a new home for a fellow colleague (Soleh), whose family home was partially burnt down. Soleh's family received RM11,000 in cash from Media Prima Group and Media Prima Digital employees for building materials, household items, clothing and school items for his younger siblings.

'Jom Balik Kampung' with Tonton

Tonton sponsored three buses to selected destinations, namely Johor Bahru, Kota Bharu and Alor Setar, in conjunction with Hari Raya Aidilfitri celebrations. The '*Jom Balik Kampung*' bus rides were open to the public and interested members were required to register their details

on Tonton's Facebook page to reserve their seats. Lam Swee Kim, Group General Manager of Media Prima Digital flagged off all three buses on 17 August 2012 and the launch was aired on Malaysia Hari Ini, *Wanita Hari Ini*, *Buletin Utama*, ntv7 News and *Berita TV9*.

Untukmu Palestin

TV3 collaborated with Primeworks Studios to give a mini charity concert '*Untukmu Palestin*' in support of thousands of victims of Israel's armies in Palestine. This mini concert is a good platform to invite corporate members and the public to make donations directly to a special fund, 'Tabung Kemanusiaan Palestin Media Prima Berhad'. The charity programme was broadcast live from Studio Sri Pentas 2, Plaza Alam Sentral Shah Alam beginning on 29 November 2012. The programme showcases a line of local artists including Faizal Tahir, Aizat, Raihan Group, Hafiz Hamidun, Noh Salleh (Hujan), Tomok and Misha Omar.

Gotong-royong at the Pondok Penyayang Raudhah

The *Gotong-Royong* at *Pondok Penyayang Raudhah* was organised by the Media Prima Digital (Gua and Tonton) on 14 April 2012. The selected home was founded by veteran actor Ustaz Mokhtaruddin with Ustazah Syarifah Dahiyah, his wife and several other volunteer instructors. The home has 42 orphaned, neglected and abandoned children which received basic financial aid from the MP of the Gombak constituency.

Primeworks Studios supported this project by providing volunteers to attend the clean-up day and collecting donations of stationery, dry food ingredients and other basic necessities for the children. 100 volunteers from Media Prima Digital, the Grand Brilliance team, Primeworks Studios and the Engineering Students Society of UiTM Shah Alam participated in the cleaning-up and refurbishment. Lunch was sponsored by KFC and Nasi Ambeng Sdn Bhd for all volunteers and residents of the home.

In June 2012, Media Prima Digital conducted a charity sale of new and used clothing, donated by staff and raised RM700. The funds collected were used to purchase new mattresses and pillows for the home, which were delivered on 11 July 2012.



Commitment to the Environment

MATERIALS MANAGEMENT

In 2012, the NSTP introduced an ink optimising programme to promote the most efficient ink usage. Software was introduced in the digital pages to convert composite black pixels made from cyan, magenta, yellow and black to 95% black. This has resulted in 2.5% savings in pages per kg. In addition to the overall reduction in colour ink consumption, the software also improves the quality of reproduction due to less ink being deposited onto the paper. This produces a clearer look and an enhanced "perceived" brightness of printed pictures.

In 2012, NSTP continued to reduce its waste by changing Computer to Film (CTF) to Computer to Plate (CTP) and phased out the usage of films. During 2011, CTF was phased out at our Shah Alam Plant. In 2012, we rolled this initiative out at our plants in Prai, Senai and Ajil. This process reduces chemical waste as the developments of films are no longer required. The usage of traditional photographic films, which was a major cost to us, has been phased out. The CTP also helps to shorten our process flow, reduces overall processing time and eliminates traditional film chemistry which was previously one of the dirtiest waste generators. It also enhances the effect of ink-saver software due to greater digital control at the plate-making stage.

During the year, NSTP engaged a specialist to conduct roller maintenance at our plants in Prai and Shah Alam. This has led to lower run-up wastage and a reduction in the overall consumption of newsprint, inks and other production materials.

Materials usage at NSTP Printing Plants

Material (MT)	2010	2011	2012
Newsprint	92,003	85,058	87,335
Ink	1,951	1,736	1,739

Our press system upgrade continues to improve in-house efficiency by reducing start up copies and printing registrations. These initiatives are ongoing and have further reduced newsprint wastage and paper consumption in terms of pages per kg.

In 2012, three workshops were held to promote the sharing of best practices in the workplace. The practice of sharing information aims to improve productivity and efficiency in each plant. Daily production reports are published for each of the plants along with a company average. This process introduced an element of competition which led to further improvements.

We are revamping our newsprint management strategy to shorten logistics, eliminate unnecessary handling and reduce overall inventory levels. In order to achieve this, our aim is to ensure each plant has its own warehouse of adequate capacity to accommodate Just-In-Time (JIT) deliveries. The implementation of the JIT principle has saved time and waste by reducing the warehouse process from our logistics. This strategy was introduced at our Balai Berita Prai in 2012. We hope to repeat this for Balai Berita Shah Alam in 2013 to benefit from the same JIT principle. This is in collaboration with Malaysian Newsprint Industries (MNI).

Chemical usage, Pre-Press (litres) at NSTP Printing Plants

Chemicals (Pre-Press, Main)	Shah Alam	Prai	Senai	Ajil	Total
2010	11,800	12,670	12,760	10,555	45,735
2011	11,565*	12,480	11,095	8,940	49,360
2012	10,720	9,570	9,450	9,135	38,875

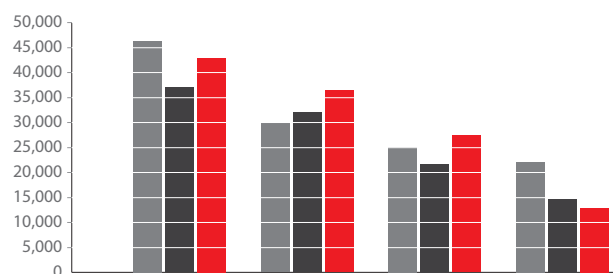
* higher consumption due to testing of Anocoil plates

WATER MANAGEMENT

Our printing presses adopt a closed system for the press in which a spray bar is being used. The spraybar system, or "pulsed dampening system", generates a fine mist of fountain solution (water treated with 2% surfactants) to provide dampening on the printing plates. Compared to conventional or older spray bar technologies, the system in use allows for minimal water consumption due to a higher ratio of dispersed area against amount of water used. We have modified the system to deactivate the recirculation of excess fountain solution. This eliminates contaminants from returning to the main holding tanks. It also ensures that the spray bar nozzles operate at maximum efficiency as oil, grease and ink droplets are eliminated from the whole system.



Water Consumption (m³) at NSTP Plants



	Shah Alam	Prai	Senai	Ajil
2010	46,338	29,784	25,131	22,059
2011	37,002	32,004	21,735	14,682
2012	42,874	36,379	27,395	12,936

ENERGY MANAGEMENT

Media Prima is working towards full compliance with the requirements of the Electrical Energy Regulations 2008 endorsed by the Energy Commissioner. In 2012, we appointed an energy consultant to objectively study our energy usage and efficiency at our Shah Alam plant. This plant was chosen as it is the largest of NSTP's printing facilities. We also reviewed our compressed air requirements between 2010 and 2012. A great deal of emphasis was also placed on reducing energy at our printing plants, particularly by isolating unoccupied areas. Air-conditioning leakages were identified and worn pipes were replaced.

Following the energy audit, various energy savings initiatives were implemented in 2012. These include improvements to air compressors in Shah Alam.

Smaller air compressors were purchased to provide the minimum levels required instead of running the main compressors during maintenance hours at Senai and Prai. Small split units were installed in Shah Alam to replace the larger AHU and non-operational lighting zones were introduced. Inverters were also installed to control air compressors' energy usage. We will continue to maintain the overall energy usage to a less than 1% increase annually which is considered acceptable due to the additional workforce, building expansion and production increase in pages.



Commitment to the Environment



There is no dedicated team or committee responsible for monitoring energy savings at our TV and Radio Networks. However, steps have been taken to promote energy saving through a poster awareness campaign in all departments. Utilisation of energy in Media Prima largely depends on many other factors such as volume of production. This translates to usage of facilities such as studios and equipment. The Engineering Department is required to optimise the utilisation of energy at all times and minimise wastage. It is also the responsibility of the Engineering units to explore new innovative products and technology. These include LED, soft lights, auto switches and timers.

In 2012, a number of energy saving initiatives were introduced at Sri Pentas:

- 50% of the Sri Pentas' Studio A's (News Studio) conventional Studio Lights have been replaced with cooled energy saving lights.
- A number of Studio B and Studio C Parcan 1kW lights were replaced with 38W cyclorama LED equivalent lights.
- Approximately 20% of the Parcan (1kW) Lights were changed to cyclorama LED saving light. Additional LED Moving Head Wash (230W) Lights were also incorporated and installed in Studio 1 and 2 in our Glenmarie Building.
- An additional batch of 30 units of different LED fluorescent lights were purchased for testing at Sri Pentas. The previous test calculations found that the payback ROI exceeded two years. It is anticipated that the price will be cheaper by next year and we are considering replacing our office lighting with LED Fluorescents.

WASTE MANAGEMENT

Solid Waste

We have implemented the Reduce, Reuse, Recycle (3R) concept throughout our operations. NSTP sends 100% of its paper waste to Malaysian Newsprint Industries (MNI) for recycling. The collection of other wastes including aluminium and cores are being tendered. Unsellable waste is disposed of according to environmental regulations.

Scheduled Waste

At NSTP, scheduled waste such as contaminated rags, waste ink and chemical waste from print is collected, stored and disposed of by the Department of Environment's (DOE) licensed contractors. The licensed contractors washed contaminated rags and returned them to us for reuse. We send our chemical waste to a wastewater treatment plant (WWTP) which we operate and send monthly reports to the DOE. Sludge from the WWTP is disposed as scheduled waste.

OTHER ENVIRONMENTAL INITIATIVES

Recyclable Vinyl

Big Tree Outdoor introduced BIOFlex Polyethylene recyclable vinyl for billboards in Malaysia. A large proportion of our visual environment is composed of billboards. These have a limited life span and ultimately become landfill once they are disposed of. We converted expired billboard advertising campaigns into paper bags and mouse pads. In 2012, we have utilised 40 pieces of 10x40 vinyl in the production of 400 bags.

Project Wise

Project Wise is a continuous improvement project introduced by our Chairman in 2012. In 2012, we have introduced paperless board paper for our board members during Media Prima Board meetings in August 2012. Since then, the good initiative has been cascaded down and set as an example to all employees. Media Prima continues to embrace this paperless initiative and go digital. Equipment was used to achieve this goal. All of our procurement channels are now operating an electronic storage system known as Electronic Document Management System (EDMS).

At TV and Radio Network Sri Pentas, our Project Wise continues to encourage employees to save paper by replacing individual printers with common printers which are only located in a few strategic areas. This initiative has significantly helped us save on the cost of purchasing printers, toners and maintenance. The only additional cost once the project was introduced relates to printing usage. Through this initiative, we hope to reduce the printing volume in our offices.

At Creative Services Department, Another 3R initiative actively practiced at Sri Pentas is the recycling of unused set and props, doors, furniture and other wood materials.

Illegal Tappings

We constantly trace and monitor illegal electricity tapping from our Distribution Board by conducting site inspections and referring to our electricity bills. This is part of the on-going efforts by Big Tree Outdoor to prevent the pilferage of electricity. We prosecute the perpetrators and their contracts with Big Tree Outdoor are terminated.

ENVIRONMENTAL COMPLIANCE

Media Prima and its subsidiaries subscribe to the following regulations:

- Environmental Quality (Clean Air) Regulations 1978
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Industrial Effluent) Regulations 2009
- Local Government Act 1976 on waste dumping policy

We are pleased to report that there were no major penalties for violations of environmental-related laws and regulations.



Commitment to the Environment

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

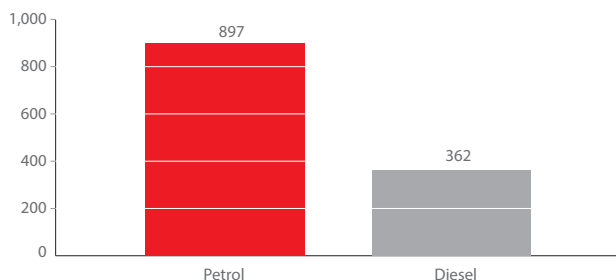
A greenhouse gas (GHG) is a gas in an atmosphere that absorbs and emits radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The primary greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide and ozone. In December 2009, the Prime Minister of Malaysia, Najib Razak, delivered Malaysia's proposal during the United Nations Climate Change Conference (COP 15) in Copenhagen. He pledged to reduce carbon dioxide (CO₂) emissions by 40 per cent by the year 2020 compared with 2005. Media Prima fully supports this vision and has reported its GHG emissions into this year's Sustainability Report.

This is the first year that we have calculated our carbon emissions. We are reporting on available data gathered from various parts of Media Prima. Media Prima's emissions accounting is based on the GHG Protocol.

Scope 1

GHG emissions from company-owned vehicles are monitored by recording all fuel purchases used for company owned vehicles. Separate calculations have been performed for petrol and diesel from Media Prima Group data. CO₂ emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

CO₂ Emissions (MT) from Company-Owned Vehicles in 2012 by Fuel Type



Our company-owned vehicles produced 1,259 MT of CO₂ emissions in 2012.

Scope 2

Energy has been calculated from Media Prima Group electricity bills. Energy is used by our office buildings, TV stations, chilled water, printing presses and billboards. CO₂ emissions from the use of electricity were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid. In 2012, our purchased electricity usage produced 54,614MT of CO₂ emissions.

Scope 3

Air travel GHG emissions were calculated point to point including the number of employees on board, distance and flight class. A centralised system is employed for the booking of all short and long haul air flights. Online tools derived from the World Resource Institute (WRI) Greenhouse Gas Protocol have been used to calculate the CO₂ emissions from air travel. In 2012, 838 MT of CO₂ emissions were produced by air travel.

Total Emissions

The following table provides the full breakdown of our emissions and their sources.

Scope	Emissions Source	Total (MT)
1	Company Owned Vehicles	1,259
2	Electricity	54,614
3	Air Travel	838
	Total Emissions	56,710

Media Prima is committed to reducing its carbon emissions throughout all operations. We are constantly improving our data gathering processes to ensure the integrity comprehensiveness of our data.

Investor Relations

The Group maintains regular and proactive communication with its shareholders and investors, with the provision of clear, comprehensive and timely information through a number of readily accessible channels such as Corporate Website, Annual General Meeting and Investors Briefing.

The Group's Investor Relations policy provides guidelines on the activities that enable the Board and Management to communicate effectively with the investment and financial community and other stakeholders including institutional investors, fund managers, analyst, bankers as well as research and stock-broking houses and the general public in relation to dissemination of timely, relevant and accurate information pertaining to the Group.

The Corporate Finance Department has conducted an Investor Relations survey in January 2013 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relation activities for 2012. Selected analysts, shareholders and fund managers were invited to participate in the survey. Media Prima has scored an overall score of 3.95 points (out of a maximum of 5 points) which exceeds Media Prima's KPI target rating of 3.75.

In line with good corporate governance practice, an annual programme to meet both local and international investment communities including the institutional fund

managers and analysts is set at the beginning of the year. In maintaining good rapport and relationship with local and foreign investors and fund managers, the Group Managing Director and the Group Chief Financial Officer attended presentations and meetings in London, Boston, Hong Kong, Bangkok, Abu Dhabi (UAE) and a series of local road shows during the year. Briefings with investors and analysts were also held after second quarter and fourth quarter's announcement of financial results to the Bursa Securities to explain the Group's strategy, performance and major developments and to address other matters affecting shareholders' interest.

In addition to corporate announcements, events and developments are notified to the public via press releases and/or by holding press conferences after general meetings or corporate events. These would provide shareholders, analysts and the investing public with an overview of the Group's performance and operations. All press releases are consistent with announcement to Bursa Securities.

All corporate and financial information, such as the Annual Report of Media Prima Berhad, the quarterly announcements of the financial results of the Group, and other announcements and disclosures are available on Media Prima's website, www.mediaprima.com.my.



SETTING NEW STANDARDS...

TO YOUR NEEDS



We understand the evolving needs and preferences of viewers to be kept well-informed and entertained. Our highly acclaimed network channels and programmes constantly make current affairs, social and entertainment matters available. And we will continue to explore opportunities beyond traditional boundaries to deliver compelling content across multiple platforms to an audience of 24 million Malaysians from all walks of life.



Media Prima Berhad

OUR BOARD OF DIRECTORS



from left to right:

DATO' ABDUL KADIR BIN MOHD DEEN

DATUK JOHAN BIN JAAFFAR
(Chairman)

TAN SRI LEE LAM THYE

DATO' AMRIN BIN AWALUDDIN

DATUK AHMAD BIN ABD TALIB, JP



from left to right:

TAN SRI DATO' SERI MOHAMED
JAWHAR

DATO' SRI AHMAD FARID BIN RIDZUAN

DATO' GUMURI BIN HUSSAIN

DATO' FATEH ISKANDAR BIN
TAN SRI DATO' MOHAMED MANSOR

DATUK SHAHRIL RIDZA BIN RIDZUAN



Board of Directors' Profile



DATUK JOHAN BIN JAAFFAR

Datuk Johan Bin Jaaffar, aged 60, a Malaysian, is the Independent Non-Executive Chairman of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 30 April 2009.

Datuk Johan is also Chairman of the following subsidiaries within Media Prima Group, namely Sistem Televisyen Malaysia Berhad ("STMB"), Synchrosound Studio Sdn Bhd ("Synchrosound Studio"), one FM Radio Sdn Bhd ("One FM"), Primeworks Studios Sdn Bhd ("PWS"), Big Tree Outdoor Sdn Bhd ("BTO") and Alt Media Sdn Bhd.

Datuk Johan is a member of MERCY Malaysia Board of Trustees and is Chairman of the Consultation and Corruption Prevention Panel (which is under the Malaysian Anti-Corruption Commission (MACC)). In addition, he is a member of the National Information Technology Council (NITC) and sits in the Board of Akademi Seni Budaya and Warisan Kebangsaan (ASWARA). He is also the Chairman of Sekolah Sri Nobel, a private school.

Previously, Datuk Johan was the Chairman of the Board of Dewan Bahasa dan Pustaka ("DBP") from 2006 until 2010. Datuk Johan started his career with DBP in 1977. In 1998, he was appointed as the Chief Editor of the DBP's magazine division. His last position in DBP was Head of General Publishing Department before he joined Utusan Melayu (M) Berhad as Group Chief Editor in November 1992 until July 1998. In 1995, he was also appointed as one of the members of Malaysian Business Council. When the government mooted the idea of the Multimedia Super Corridor, Datuk Johan was appointed to the Board of the Multimedia Development Council (MDC). He has also served as an Independent Non-Executive Director of Sindora Berhad.

In the past, Datuk Johan served as committee member of Yayasan Anak-anak Yatim Malaysia, member of Jawatankuasa Diplomasi dan Hubungan Antarabangsa, member of Majlis Perpaduan Negara and member of the National Brains Trusts on National Education which is under the auspices of ISIS and the National Economic Action Committee (NEAC).

He is currently a columnist for the New Straits Times and BH.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



DATO' AMRIN BIN AWALUDDIN

Dato' Amrin Bin Awaluddin, aged 47, a Malaysian, is the Group Managing Director of Media Prima. He was appointed to the Board of Media Prima on 1 September 2009.

He held various positions within the Group prior to assuming his current position on 1 September 2009 and holds a Bachelor of Business Administration (Honours) from Acadia University, Canada and Master of Business Administration (Finance) with Distinction from University of Hull, England.

He joined the Group as the Chief Financial Officer of Sistem Televisyen Malaysia Berhad ("TV3") in November 2001 with responsibilities, which include amongst others, to implement the restructuring and turnaround of TV3 and The New Straits Times Press (Malaysia) Berhad ("NSTP"). Completion of the restructuring of these former media assets of Malaysian Resources Corporation Berhad ("MRCB") in September 2003 led to the incorporation of Media Prima and his appointment as its Group Chief Financial Officer. Dato' Amrin played a pivotal role in transforming Media Prima into an integrated media group. He was involved in the acquisitions and restructurings of 8TV in 2003, ntv7, TV9, Hot FM and Fly FM in 2005 which contributed to the consolidation of the domestic TV industry and Media Prima's maiden expansion into radio. He led the successful acquisition of Big Tree Outdoor Sdn Bhd (BTO) in 2006 and the delisting of NSTP in 2010.

During his tenure as the Chief Executive Officer of ntv7 (January 2006 – March 2008), Dato' Amrin led a team which formulated and implemented the financial and operational turnaround of the network, and the repositioning of the ntv7 brand.

Dato' Amrin sits on the Board of Media Prima's subsidiaries which are NSTP, TV3, Synchrosound Studio, BTO, Primeworks Studios and Alt Media Sdn Bhd.

He is the Deputy President of Kuala Lumpur Business Club (KLBC), a Member of the Asian Television Awards Advisory Board, a Board Advisor of Pusat Sains Negara and a Board Member of Yayasan Kelana Ehsan.

Prior to joining the Group, Dato' Amrin was with Amanah Merchant Bank Berhad, Renong Berhad, Malaysia Resources Corporation Berhad and Putera Capital Berhad.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



DATO' SRI AHMAD FARID BIN RIDZUAN

Dato' Sri Ahmad Farid Bin Ridzuan, aged 52, a Malaysian, is an Executive Director of Media Prima. He was appointed to the Board of Media Prima on 30 August 2006.

He was appointed as the Group Chief Executive Officer, Television Networks of Media Prima on 1 January 2006. Previously he was the Chief Executive Officer of TV3, a position he took up in April 2002. He also sits on the Board of TV3, ntv7, 8TV, TV9 and several private limited companies.

Dato' Sri Farid is currently on secondment to the Prime Minister's office as the Communications Advisor.

Dato' Sri Farid was an Executive Director at Leo Burnett Advertising from 1998 to 2002. He has more than fifteen years of line and staff experience specialising in general management, strategic marketing, regional and international business development and corporate communications. He holds a MBA in International Business from US International University, San Diego, California; and BBA Marketing (Major) and a BBA Management (Minor) from Western Michigan University, Kalamazoo, Michigan, USA.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATUK SHAHRIL RIDZA BIN RIDZUAN

Datuk Shahril Ridza Bin Ridzuan, aged 43, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 22 October 2001 and is a member of the Remuneration Committee.

Datuk Shahril Ridza currently sits on the Board of Malaysian Resources Corporation Berhad, Malaysia Building Society Berhad, Felda Global Ventures Holdings Berhad and Pengurusan Danaharta Nasional Berhad.

Datuk Shahril Ridza began his career as a Legal Assistant at Zain and Co from 1994 to 1996. He then became Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd from 1997 to 1998. He subsequently joined Pengurusan Danaharta Nasional Berhad in 1998 for a year before joining SSR Associates Sdn Bhd as Executive Director from 1999 to August 2001. He served as Group Managing Director, Malaysian Resources Corporation Berhad (MRCB) until November 2009 and is presently Deputy Chief Executive Officer (Investment) at Employees Provident Fund (EPF).

Datuk Shahril Ridza holds a Bachelor of Civil Law (1st Class) from Oxford University, England, a Master of Arts (1st Class) from Cambridge University, England, and was called to the Malaysian Bar and the Bar of England and Wales.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima Berhad. He has had no convictions for any offences within the past ten years.



Board of Directors' Profile



TAN SRI LEE LAM THYE

Tan Sri Lee Lam Thye, aged 67, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 18 August 2003, and is a Member of the Nomination Committee, Audit Committee and Remuneration Committee.

Before retiring from politics in 1990, Tan Sri Lee served as the State Legislative Assemblyman for Bukit Nenas, Selangor, from 1969 to 1974 and from 1974 to 1990 as the Member of Parliament for Kuala Lumpur Bandar/Bukit Bintang.

He currently serves as the Chairman of the National Institute of Occupational Safety and Health under the Ministry of Human Resources. He is also the Chairman of the S P Setia Foundation and Vice-Chairman of the Malaysia Crime Prevention Foundation. Previously he served as a Member of the Special Royal Commission, which had been set up to enhance the operations and management of the Royal Malaysian Police. He was also Chairman of the National Service Training Council and a former Member of the Malaysian Human Rights Commission.

In the private sector, Tan Sri Lee serves as a Non-Executive Director to a few companies, namely AMDB Berhad, MBM Resources Berhad and S P Setia Berhad. Within the Media Prima Group, he is a Board member of STMB and Synchrosound Studio. Tan Sri Lee is also a Professional Representative on the Board of Employees Provident Fund since 1 June 2009.

Tan Sri Lee completed his secondary education at Saint Michael's Institution, Ipoh, Perak, and obtained his Senior Cambridge Certificate in 1965.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



TAN SRI DATO' SERI MOHAMED JAWHAR

Tan Sri Dato' Seri Mohamed Jawhar, aged 69, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 30 August 2006. He is also a member of the Audit Committee, Nomination Committee and Risk Management Committee.

His other positions include and has included: Chairman, Institute of Strategic and International Studies (ISIS) Malaysia; Member, Securities Commission Malaysia; Member, Malaysian Anti-Corruption Commission Advisory Panel; Distinguished Fellow, Institute of Diplomacy and Foreign Relations (IDFR), Ministry of Foreign Affairs Malaysia; Distinguished Fellow, Malaysian Institute of Defence and Security (MiDAS); Board Member, International Institute Of Advanced Islamic Studies (IAIS) Malaysia; Member, National Unity Advisory Panel, Malaysia (2004-2009); Chairman, Malaysian National Committee, Pacific Economic Cooperation Council (2005-2009); Co-Chair, Network of East Asia Think-tanks (NEAT) (2005-2006); Co-Chair, Council for Security Cooperation in the Asia Pacific (CSCAO) (2006-2008); and Expert and Eminent Person, ASEAN Regional Forum (ARF). Tan Sri Jawhar also holds directorships in Ekuiti Nasional Berhad (Ekuinas), Affin Bank and Affin Islamic Bank. Within the Media Prima Group, he is Chairman of NSTP and Board Member of STMB.

He served with the government for over 20 years before joining ISIS Malaysia as Deputy Director-General in 1990. He was appointed as Director-General in March 1997 and later as Chairman and CEO in 2006. Although no longer CEO of ISIS since January 2010, he still serves as its Chairman.

During his government service, his positions included Director-General, Department of National Unity; Under-Secretary, Ministry of Home Affairs; Director (Analysis) Research Division Prime Minister's Department; and Principal Assistant Secretary, National Security Council. He has also served as Counselor in the Malaysian Embassies in Indonesia and Thailand.

He holds a BA Hons. from University Malaya.

Other than disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



DATO' ABDUL KADIR BIN MOHD DEEN

Dato' Abdul Kadir Bin Mohd Deen, aged 69, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 29 May 2007. He is also a Member of the Remuneration Committee, Nomination Committee and Audit Committee.

Within the Media Prima Group, Dato' Abdul Kadir sits on the Board of STMB, BTO and Alt Media Sdn Bhd. Outside the Group, he is the Chairman of Eco Motive Sdn Bhd.

Dato' Abdul Kadir was with the Ministry of Foreign Affairs for over 33 years and served in various overseas postings, including Second Secretary at the Embassy of Malaysia in Manila, Philippines, 1973-1976 and First Secretary at the Embassy of Malaysia, Kuwait, 1977-1979. He also served as the Minister Counselor Deputy Permanent Representative, Malaysian Permanent Mission to the United Nations, New York from 1984-1988. He was subsequently assigned as Deputy Chief of Mission, Embassy of Malaysia, Beijing, People's Republic of China from March 1988 to December 1989. In October 1990 he was reassigned as Minister, Deputy Chief of Mission, Embassy of Malaysia, Tokyo, Japan and thereafter in July 1992 he was appointed High Commissioner of Malaysia to Sri Lanka until December 1996. From January 1997 to February 1999 he was High Commissioner of Malaysia to South Africa. He was reassigned as Ambassador of Malaysia to the Federal Republic of Germany concurrently accredited to Switzerland and Greece from 1999 to 2003, before his retirement from the Malaysian Diplomatic Service.

He holds a B.A. (Hons) from University of Lancaster, United Kingdom.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



DATO' GUMURI BIN HUSSAIN

Dato' Gumuri Bin Hussain, aged 67, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 29 April 2008. He is also the Chairman of the Audit Committee and member of the Risk Management Committee of Media Prima.

Dato' Gumuri is currently the Chairman of SME Bank, a Board member of Metrod Holdings Berhad and KUB Malaysia Berhad. Dato' Gumuri is also a member of the Securities Commission and Audit Oversight Board. Within the Media Prima Group, he sits on the Board of BTO and Alt Media Sdn Bhd.

Dato' Gumuri was the former Managing Director and Chief Executive Officer of Penerbangan Malaysia Berhad from August 2002 to August 2004. Prior to this, he was a Senior Partner and Deputy Chairman of the Governance Board of PricewaterhouseCoopers Malaysia. He also served as a Non-Executive Director of Bank Industri and Teknologi Malaysia Berhad, Malaysian Airline System Berhad and Sabah Bank Berhad.

Dato' Gumuri is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Board of Directors' Profile



DATUK AHMAD BIN ABD TALIB, JP

Datuk Ahmad Bin Abd Talib, aged 62, a Malaysian, is the Executive Director, News and Editorial Operations of Media Prima. He was appointed to the Board of Media Prima on 1 July 2009 and is a member of the Risk Management Committee of Media Prima.

Datuk Ahmad began his career in journalism as a reporter with the Economic Service of BERNAMA in 1972. He joined Financial Publications Sdn Bhd (a subsidiary of NSTP now known as Business Times (Malaysia) Sdn Bhd) in 1978. On 1 May 1985 he joined Berita Harian Sdn Bhd as the Economic News Editor.

In 1987, Datuk Ahmad became Assistant Editor, BH before joining New Straits Times as News Editor. He rose through the ranks, becoming Chief News Editor, Associate Editor and Assistant Group Editor between 1991 and 1996.

Datuk Ahmad was made Group Editor, New Straits Times in 1998. He was later re-designated as Group General Manager, Communications and Editorial Marketing in 2004. Datuk Ahmad opted for early retirement from the NSTP Group in 2005 before rejoining again in 2009.

Datuk Ahmad is currently a trustee for Yayasan Salam Malaysia and Yayasan Kebajikan Anak-Anak Yatim Malaysia. He is also the Chairman of the Publicity Committee of the Malaysian Red Crescent. Within the Media Prima Group, he is on the Board of STMB and NSTP.

Datuk Ahmad was awarded The Knight-Bagehot Fellowship in Economics and Business Journalism, Columbia University, New York in 1989/1990. He also participated in the NSK-CAJ Fellowship Programme, Japanese Newspaper Publishers and Editors Association.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



DATO' FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor, aged 45, a Malaysian, is the Senior Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 4 September 2009, and is the Chairman of the Nomination Committee, Remuneration Committee and Risk Management Committee of Media Prima.

Dato' Fateh Iskandar attended the Malay College Kuala Kangsar (MCKK) and later obtained his law degree from the University of Queensland, Australia and subsequently went on to obtain his Masters in Business Administration.

He practiced law in Australia before coming back to Malaysia joining Kumpulan Perangsang Selangor Berhad (KPS) as its Corporate Manager. He left KPS to join Glomac in 1992 as General Manager for Business Development and climbed the way up the corporate ladder. In February 1997, he was appointed to the Board of Glomac Berhad. He is currently the Group Managing Director/Chief Executive Officer of Glomac Berhad, a main board property company listed on Bursa Malaysia since June 2000.

Apart from sitting on several private limited companies, Dato' Fateh Iskandar sits on the Board of Axis-Reits Managers Berhad, the first REITs company to be listed on Bursa Malaysia. Within the Media Prima Group, he sits on the Board of NSTP.

He is currently the Deputy President of The Real Estate and Housing Developer's Association (REHDA) Malaysia and Immediate Past Chairman of REHDA Selangor Branch. He is also a Director of MPI (Malaysian Property Incorporated), a partnership between the Government and the private sector that was established to promote property investments and ownership to foreigners all around the world. He is the Deputy Chairman of the Malaysian Australian Business Council (MABC), Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) a body that promotes entrepreneurship amongst Malays in the country. He is the Co-Chair of the Special Taskforce to Facilitate Business Group (PEMUDAH) on Legal and Services and is also a Member of PEMUDAH Selangor Group.

With around 20 years of experience and involvement in the property development industry, his vast experience and expertise has made him a very well-known and respected figure among his peers locally as well as on the international arena. He is frequently invited as a guest speaker in forums, seminars and conventions to offer his insights and views and to share his wealth of experiences and has given talks both locally and internationally on the property market in Malaysia over the years.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.





Senior Management Profile



from left:

Mohamad Ariff Bin Ibrahim, Dato' Amrin Bin Awaluddin (*Group Managing Director*)

DATO' AMRIN BIN AWALUDDIN

Group Managing Director
Media Prima Berhad

As a media company we are faced with challenges every second of every hour of every day. We are in the business of informing, entertaining and educating, and we are judged by how effective we are 24 hours throughout the year. High standards therefore have to be maintained. In a competitive and a dynamic industry, being good does not get you far – we need to set new standards all the time.

This is a content-driven industry where ideas and creativity rule. We embrace those who are not afraid to dream and are able to turn these dreams into reality. We have six different media platforms, we work as one, challenging and in our course, we set new standards. We are the first and the only fully integrated media company. We were the first to offer an online portal, Tonton, and the first to offer content on smart mobile devices. Media Prima is all about being the first, being innovators and being trend-setters by setting new standards.

MOHAMAD ARIFF BIN IBRAHIM

Group Chief Financial Officer
Media Prima Berhad

The Finance Department is staffed by people who have always been fascinated by numbers. Mathematics is all about logic, and in order to get the right answer, the workings have to be right. The key is accuracy.

This fact remains true till today. What we do daily requires nothing less than getting the right information at the right time. Speed, accuracy and the ability to understand the real scenario behind those numbers is the essence of setting new standards. Being able to decipher numbers allows us to provide accurate scenario analysis with sound risk management frameworks for Media Prima.

By looking at the numbers, we know exactly where we are in the market, and how to chart our next course of action and strategies. Napoleon Bonaparte, for example, conquered most of the European continent not only because he had legions of men, but also because he used mathematical calculations in his strategies. Media Prima may not conquer the world now, but with the right numbers coupled with the right strategies, we never know.



Senior Management Profile



from left:

Ahmad Izham Bin Omar, Datuk Ahmad Bin Abd Talib, JP, Mohammad Azlan Bin Abdullah

AHMAD IZHAM BIN OMAR

Chief Executive Officer
TV Networks
Chief Executive Officer
Primeworks Studios
Media Prima Berhad

In the world of entertainment, you cannot produce the same type of content over and over again. This is because the audience will ALWAYS want to see or hear something new when it comes to entertainment.

I take lessons from the music industry in how one must always reinvent oneself to keep winning their audience.

The Beatles changed with each song. From "She Loves You" to "Strawberry Fields Forever", no two songs sounded the same.

Elvis Presley reinvented rock n'roll when he took the music found in segregated black dance halls and adapted it into mainstream America.

Even a band as big as Coldplay continually set new standards or face being 'old'.

The world of entertainment demands new standards all the time. If you stay still, you will get run over. If you stay still, the whole world will pass you by.

Setting new standards is not something we aspire to do.

It's something we have to do.

DATUK AHMAD BIN ABD TALIB, JP

Executive Director
News and Editorial Operations
Media Prima Berhad

Baharudin Omar, 48, stands only on one leg. He was fishing with his partner in a small boat in Tasik Kenyir, Terengganu. But he had guts and boundless determination to pursue his hobby. The man simply is a testimony of mind over matter, a picture of passion and a never say never kind of attitude.

Passion and a never say never attitude – these are the very qualities found in abundance at MPB.

I met Baharudin at the inaugural Boat on the Road fishing competition supported by the Terengganu government. It was an idea that seemed crazy at first. Who would want to join a convoy of 100 4x4 vehicles with a boat on each of them and travel close to 400km before casting a line!

It would be a whole day trip, with pit stops at several places for food, refueling and answering the call of nature. Mind you, the convoy must obey all traffic rules and regulations to stay the course. It was a logistical challenge for a small group of dedicated staff who look at every challenge as an opportunity to chart new grounds. The BH's Boat on the Road, anchored by the men and women who produced Joran, the weekly fishing pullout, is now the new benchmark in coordination, teamwork, planning and execution. Without doubt, the annual fishing competition is now one of our anglers' favourites!

The event proved that no idea is foolish and should be disregarded. It may look outrageous and difficult; in fact some would probably describe it as a waste of time! But at this company, the more outrageous the idea, the more likely it will find its way into the readers and audience's heart.

MOHAMMAD AZLAN BIN ABDULLAH

Chief Executive Officer
The New Straits Times Press
(Malaysia) Berhad
Media Prima Berhad

NSTP is an institution rich in culture and legacy. As it moves into its 168th year of operation against the background of a challenging media landscape, there is an imminent need to step up its standards in terms of product offerings and service levels. Raising standards in every single step of the work process is the key to ensure the products and services remain relevant, attractive and compelling to consumers. More importantly, the future and sustainability of the business depend on how the organisation and its workforce rise up to the challenge.

My interest in sports, especially golf, soccer and tennis, and idolising of sports icons like Steven Gerrard, Tiger Woods and Roger Federer, convey my point on the need to raise the performance bar.

The concept of continuous improvement or setting new standards is not new. Persistence, follow-through and the right mindset are key ingredients and success factors in achieving high performance and excellence.



Senior Management Profile



from left:

Jeff Cheah See Heong, Datuk Abdul Jalil Bin Hamid, Datuk Shaharudin Bin Abd Latif

JEFF CHEAH SEE HEONG

Chief Executive Officer
Big Tree Outdoor Sdn Bhd
Media Prima Berhad

Being an industry leader one needs to be continuously innovative in many aspects, be it the product design or its marketing approach. Innovation brings recognition and very often it comes with a decent monetary return.

One may ask, how can a conventional outdoor media format be innovative and what would be the risk? Historically outdoor media expenditure in Malaysia has grown by leaps and bounce but lacks creativity. Thus, Big Tree group has taken the lead not only to be strategic in its marketing approach, new creative product roll-out and aesthetic looks of structure designs were the main emphasis for new product development.

Again, Big Tree recently set another new standard by upgrading some prime assets to out-of-home digital media and was proven successful. More new product designs were launched since then and a whole new outdoor media landscape was born in the heart of KL city center, which has further strengthened our leadership positioning.

At Big Tree, we redefine the standard of the industry.

DATUK ABDUL JALIL BIN HAMID

Group Managing Editor
The New Straits Times Press
(Malaysia) Berhad
Media Prima Berhad

The huge technological leap is redefining the way how our editors at NSTP work and operate. As a newspaper company with a 168-year history, we have to continue pushing beyond traditional limits and setting higher standards in journalism in order to remain relevant in this challenging times. Our three newspapers in the group, the New Straits Times, BH and Harian Metro, have been on the forefronts in harnessing the power of social media, mobile platforms and video to help enhance the delivery and quality of content to cater for our growing readership base.

I really admire the great leadership quality of Manchester United's Sir Alex Ferguson in taking the famous football team to where it is today. NSTP inspires to remain in the top of the league through innovation and transformation. We will continue to get the best out of our talented pool of writers, sub-editors, photographers and editors. With the right skills and strong work culture, we can build further on our successes.

DATUK SHAHARUDIN BIN ABD LATIF

Group Managing Editor
News and Current Affairs
Radio and Television Networks
Media Prima Berhad

MPB television newsrooms are changing their priorities to become information providers. This is in line with the changing of the broadcast landscape with the booming of the social media such as websites, Facebook and Twitter. We have to develop a strategy as to engage or to reach our potential viewers while they are hanging out or on the move. With the changing landscape, it's easy to assume that traditional tv news won't survive much longer. But as a successful network, MPB can boost the odds of being around through the decades by focussing on what has gotten us to this point – solid, accurate reporting, creative visual presentation and credible tv personalities who form long-lasting relationship with their audience.

We need to ensure that we are reflecting all the diversity and richness this country to offer in order to continually be relevant and meaningful. Be it in the shows we produce, the stories we tell, the personnel touch we make and the people we work with – this is our goal. Mind you, Malaysians come to MPB for engaging, informative and high-quality content that they cannot find anywhere else. With our strategic plan we hope to continue to engage, inform and connect citizens from all background on issues that matter.

With a mandate to connect all Malaysians (in Bahasa, English and Mandarin), whether on air or behind the scenes, working with MPB means joining an organization that encourages innovation and creativity. We are proud and blessed to be part of a dynamic team that thrives on making connection and telling the stories that are important to all Malaysians.



Senior Management Profile



from left:

Lam Swee Kim, Dato' Zainul Arifin Bin Mohammed Isa, Sathiasseelan A/L Paul Thurai

LAM SWEE KIM

Group General Manager
Media Prima Digital
Media Prima Berhad

Youth engagement in Media Prima plays a big role in its strategy where it nurtures young talent by pairing the right skill set with the right scope in charting new areas of opportunities. Being part of the young team recruited to create trendsetting new heights, my journey with Media Prima has given me the opportunity to work with the industry's best talents and this has continuously driven me to seek and explore new industry standards.

Even though digital platforms are seen as a big threat to TV and Print in audience share dilution and market fragmentation, the digital team at Media Prima took this as a challenge. We embarked on a digital venture currently known as Media Prima Digital. Every key media initiative is backed by a comprehensive digital campaign with Over-The-Top offerings.

Media Prima Digital is now the number 1 Digital Media Group and has won numerous awards from local and abroad.

Setting new standards is no longer about seniority and gender but more about capability and faith in the new generation.

DATO' ZAINUL ARIFIN BIN MOHAMMED ISA

Chief Operating Officer
Media Prima Digital
Media Prima Berhad

Growing up, music and movies were major influences. Newspapers and magazines would bring news of the latest music or movie releases, and one would scour record shops for the latest Dylan or Stones albums, or drop by cinema lobbies for what was coming next.

Now, my 12-year-old listens to music, watch movies or television shows via web streaming. This significant shift in media consumption behaviour serves to remind me that our industry is constantly evolving.

Yet, just like it was with vinyl, eight-track, cassette tape, compact disc or digital download now, good content will continue to thrive.

SATHIASEELAN A/L PAUL THURAI

Chief Executive Officer
Radio Networks
Chief Strategy Officer
TV Networks
Media Prima Berhad

When I was 12, the world was mesmerized by one man's flair and brilliance on the field as Diego Armando Maradona helped Argentina win the World Cup. The stocky Argentinian delivered amazing performance throughout the tournament and scored one of the best goal of the century. He showed persistence and great passion for the game. Amidst all world class footballing team, he and Argentina just took the game a notch higher.

We are also living in such highly competitive environment. We are battling every day to be part of our listener's life. Therefore we need that same spirit and flair that Maradona and team mates had during the tournament. We need to continue to push our boundary in person and also as team. As for radio we continue to push our convergence with technology and ensuring a great communal presence among our listeners. We are building a greater relationship with digital natives and also ensuring our content is compelling and used across multiple platform. Radio as a platform needs to mesmerise the audience like Maradona did and score straight to our listeners heart and mind.



Statement on Corporate Governance



The Board of Directors of Media Prima Berhad is committed towards achieving excellence in corporate governance and acknowledges that the prime responsibility for good corporate governance lies with the Board. The Board is fully committed to ensuring that the highest standards of corporate governance are practised throughout Media Prima and its subsidiaries (the Group) as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value and the performance of the Group.

The Malaysian Code on Corporate Governance 2012 (the Code) aims to set out principles and best practices on structures and processes that companies may apply in their operations towards achieving the optimal governance framework. The Board reaffirms its support to the Code and believes that good corporate governance is fundamental in achieving the Group's objectives. In order to ensure that the best interests of shareholders and other stakeholders are effectively served, the Board continues to play an active role in improving governance practices and constantly monitors the development in corporate governance including the Code.

The commitment and effort of the Board, Management and employees of Media Prima in sustaining high standards of corporate governance and investor relations are proven by the following accolades received in 2012:

Award	Awarded by
<ul style="list-style-type: none"> Best Overall for Corporate Governance Best for Disclosure and Transparency Best for Responsibilities of Management and The Board of Directors Best for Shareholders' Rights and Equitable Treatment Best for Investor Relations 	AsiaMoney's Corporate Governance Poll 2012
Winner of Corporate Social Responsibility Leadership Award	Asia Pacific Young Business Conference 2012

The Board of Media Prima is pleased to report to the shareholders, the Group's application of the Principles in the Code and the extent to which the Group has complied with the "Recommendations" of the Code during the financial year ended 31 December 2012.

A. THE BOARD OF DIRECTORS

The Group is led and controlled by an effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board understands the Group's philosophy, principles, ethics, mission and vision and reflects this understanding on key issues throughout the year.

The Board delegates authority and vests accountability for the Group's day to day operations with a management team led by the Group Managing Director (GMD). The Board, however assumes responsibility for the following in discharging its duty of stewardship of the Group:

- Reviewing and adopting the strategic plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the Group is being properly managed;

- Succession planning including appointing, training, fixing the compensation of Senior Management and where appropriate, the replacement of its members;
- Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- Reviewing the adequacy and the integrity of the Group's internal controls system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Composition and Balance

The Board comprises of individuals who are highly experienced in their respective fields of endeavour and whose knowledge, background and judgement is valuable in ensuring that the Group achieves the highest standards of performance, accountability and ethical behaviour as expected by Media Prima's stakeholders.

The Board has a balanced composition of Executive and Non-Executive Directors (including Independent Directors) such that no individual or group of individuals can dominate the Board's decision-making powers and processes. The Independent Non-Executive Directors make up 50% of the Board membership.

The directors of the Group do not hold more than 5 directorships in public listed companies as prescribed by Bursa Securities Listing Requirement.

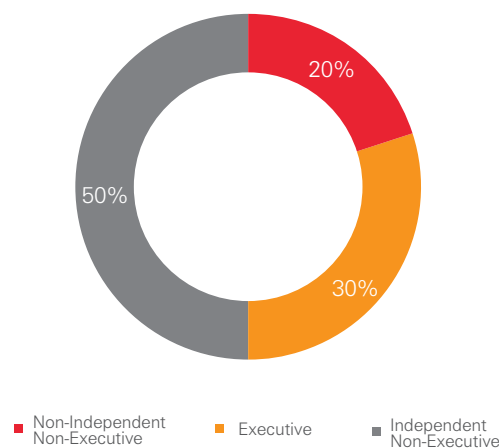
As at 31 December 2012, the Board has ten (10) members, of which three (3) are Executive Directors and seven (7) are Non-Executive Directors. The Board believes the size of the Board is optimal given the scope and size of the Group, and sufficient to provide for effective debate and decision making with a substantial degree of independence from the Management. A brief description of the background of each director is set out on pages 90 to 94 of this Annual Report.



Statement on Corporate Governance

The role and responsibilities of the Chairman of the Board and the GMD are clear and distinct. The Chairman is responsible for the effective conduct of Board discussions whilst the GMD is responsible for the running of the day to day operations of the Group. The current Chairman is not the previous Chief Executive Officer of the Company.

**Media Prima Berhad Board of Directors
as at 31 December 2012**



Directors Roles and Responsibilities

The Independent Non-Executive Directors are individuals of impeccable credibility and calibre and have the necessary skill and experience to carry sufficient weight in Board decisions. Although all the directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and examined, and take into account the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts its business.

There is a clear division of roles and responsibilities between the Chairman of the Board and the GMD to ensure that there is a balance of power and authority and that no one individual has unfettered powers of decision. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct whilst the GMD has overall responsibility over the business units, organisational effectiveness and implementation of Board's policies, strategies and decisions.

The Board together with the GMD has developed position descriptions for the Board and for the GMD, involving definition of the limits to Management's responsibilities. The Board has also approved the corporate objectives for which the GMD is responsible to meet.

Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor is the Senior Independent Non-Executive Director, as prescribed in the Code, to whom concerns pertaining to the Group may be conveyed by shareholders and the public. The Senior Independent Non-Executive Director may be contacted at

Telephone No.: + (603) 7801 9012

Facsimile No.: + (603) 7806 5333

Directors' Code of Ethics

Media Prima has established a Directors' Code of Ethics to guide the Board in discharging its oversight role effectively. The Code of Ethics requires all directors to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of our business and professional practices and act in good faith in the best interests of Media Prima Group and its shareholders.

Appointments to the Board

The Malaysian Code on Corporate Governance 2012 endorses as good practice, a formal procedure for appointment to the Board, with a Nomination Committee making recommendations to the Board. The Nomination Committee of the Board of Media Prima scrutinises the sourcing and nomination of suitable candidates for appointment as a director in Media Prima and its subsidiary companies and to the Committees of the Board, before making recommendations to the Board for approval. This Committee carries out an annual review on the composition of Boards of MPB as well as its Group of companies to ensure the selection of Board members with different mix of skill sets, competencies and gender diversity.

Re-election of Directors

In accordance with the Company's Articles of Association, newly-appointed directors shall hold office until the next Annual General Meeting (AGM) and shall then be eligible for re-election. The Articles also provide that all directors shall retire from office once at least in every three (3) years. Retiring directors may offer themselves for re-election.

Board Effectiveness Evaluation

The Board through the Nomination Committee conducts an effective assessment to evaluate the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. The Board has also reviewed its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board. The Board also examines its size, with a view to determine the effective number of Board members. The Board is of the view that the current size of the Board is appropriate.

Messrs PricewaterhouseCoopers Advisory Services Sdn Bhd had been engaged to facilitate a Board Effectiveness Evaluation self-assessment exercise for MPB Board of Directors. A report on the evaluation was presented to the Board on 23 February 2012 detailing the areas of strengths and areas of improvements.

Board Charter

A Board Charter had been established and approved by the Board on 14 August 2012. The objectives of the Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members, the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all dealings by Board members individually and/or on behalf of the Group.

The Board Charter focuses on:

- Boards' roles and responsibilities;
- Boards' composition and balance;
- Boards' performance;
- Boards' meetings;
- Remuneration policies;
- Access to information and independent advice;
- Financial reporting;
- Stakeholder communication;
- Company Secretary; and
- Conflict of interest.

Company Secretary

The Company Secretary provides a central source of guidance and advice to the Board, on matters of ethics and good corporate governance. The Company Secretary is required to provide the directors, collectively and individually, with detailed guidance on their duties and responsibilities. The Company Secretary assists in determining the annual board plan and board agenda and in formulating governance and board-related matters.

The Board has unrestricted access to the advice and services of the Company Secretary who is responsible for providing directors with the boards' papers and related matters. The Company Secretary coordinates the induction programme for newly-appointed directors as well as the Board assessment process.

Board Meetings

Board meetings are scheduled in advance at the beginning of the new financial year to enable directors to plan ahead and fit the year's meetings into their respective schedules. The Board meets at least four (4) times a year, once in every quarter and has a formal schedule of matters specifically reserved to it for decision, such as the approval of corporate plans and budgets, acquisition and disposal of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits. Additional meetings are held as and when required.



Statement on Corporate Governance

Key transactions submitted to and approved by the Board in 2012 include:

Area	Key Transactions
Business Plan	<ul style="list-style-type: none"> Proposed Group-wide internal restructuring exercise. Proposed MPB Digital Integration Plan. Proposed Board Charter for MPB Group.
Investor Relation	<ul style="list-style-type: none"> Proposed declaration of single-tier interim dividend for financial year ended 31 December 2012.
Financial	<ul style="list-style-type: none"> Proposed restructuring of Intercompany balances with Subsidiaries (Sistem Televisyen Malaysia Berhad and Synchrosound Studio).
Employee Relations	<ul style="list-style-type: none"> Proposed Employee Merit Increment and 2nd Phase of Hays Implementation. Proposed Balance Scorecard Rating and Merit Increment for Senior Management. Proposed Directors and Officers Liability Insurance.

Board meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues. Decisions are made on a consensus basis after due deliberation.

During the financial year ended 31 December 2012, the Board of Directors have met seven (7) times to deliberate and consider a variety of significant matters that required its guidance and approval.

Details of the Board movement and attendance at meetings for financial year ended 31 December 2012 are set out below:

Director	Attendance	%
Datuk Johan Bin Jaaffar Independent Non-Executive Chairman (appointed on 30 April 2009)	7 out of 7	100
Dato' Amrin Bin Awaluddin Group Managing Director (appointed on 1 September 2009)	7 out of 7	100
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor Independent Non-Executive (appointed on 4 September 2009)	7 out of 7	100
Tan Sri Dato' Seri Mohamed Jawhar Independent Non-Executive (appointed on 30 August 2006)	7 out of 7	100
Tan Sri Lee Lam Thye* Non-Independent Non-Executive (appointed on 18 August 2003)	7 out of 7	100
Dato' Gumuri Bin Hussain Independent Non-Executive (appointed on 29 April 2008)	6 out of 7	86
Dato' Abdul Kadir Bin Mohd Deen Independent Non-Executive (appointed on 29 May 2007)	5 out of 7	71
Datuk Shahril Ridza Bin Ridzuan Non-Independent Non-Executive (appointed on 22 October 2001)	6 out of 7	86
Dato' Sri Ahmad Farid Bin Ridzuan Executive Director (appointed on 30 August 2006)	6 out of 7	86
Datuk Ahmad Bin Abd Talib, JP Executive Director (appointed on 1 July 2009)	7 out of 7	100

* Re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Director effective 18 August 2012 in compliance with Principle 3 of the Malaysian Code on Corporate Governance 2012.

Supply of Information

The Board and its Committees have full and unrestricted access to all information necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customer satisfaction, product and service quality, market share and market reaction.

The Board is provided with the agenda for every Board meeting together with comprehensive management reports, in advance for the Board's reference. The Chairman of the Board takes primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to directors on a timely basis.

All directors have the right and duty to make further enquiries where they consider necessary. In most instances, members of Senior Management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board.

The Board papers are circulated on a timely basis and more often than not, at least five (5) days in advance of the meeting to enable the members to have sufficient time to review the papers prepared. Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made.

The Board papers supplied to the directors include:

- Quarterly performance report of the Group;
- Corporate proposals;
- Group's risk profile;
- Information on operational and financial issues;
- Updates on Group's corporate social responsibility
- Business forecasts and outlook; and
- Circular resolutions passed.

The Board recognises that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board. All directors have access to the advice and services of the Company Secretary and, whether as a full board or in their individual capacities, directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

Directors' Training

The Board via the Nomination Committee had performed an annual assessment to review its required mix of skills and experience and also training needed to ensure its members have access to appropriate continuing education programmes.

All directors attended relevant training programmes in 2012 to enhance their skills and knowledge, and to keep abreast with the relevant changes in laws, regulation and business environment, in order to discharge their duties more effectively.

Internal training, external training, seminar and conferences attended by the Board of Directors in 2012 include:

Course	Number of days
Media Prima Inspirational Series – Talk by prominent speakers	1 day
Media Prima Board of Directors' Workshop	1 day
Bursa Malaysia's Half Day Governance Programme	Half day
The Third Annual Asia Central Bank & Sovereign Wealth Fund Conference 2012	1 day
Credit Suisse Asian Investment Conference 2012	5 days
Invest Malaysia 2012 Conference	2 days
Bumiputera Economic Transformation Roadmap Workshop	1 day
Conference on Global Movement of Moderates	4 days
The 2012 AsiaLink Conversations	3 days
Conference of Thales Leadership Programme	1 day
Institute of Strategic International Studies Malaysia Roundtable Talk	1 day



Statement on Corporate Governance

Board Committees

The Board delegates certain responsibilities to Board Committees, each with predefined terms of reference and responsibilities and the Board receives reports of their proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board of Directors' approval. The Chairman of the various committees report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board meetings.

The Board Committees in Media Prima are as follows:



The composition, responsibilities and activities of the respective Board Committees are described below:

Audit Committee

Audit Committee was established on 19 August 2003 and the members are:

Member	Attendance	%
Dato' Gumuri Bin Hussain <i>(Chairman)</i>	5 out of 5	100
Tan Sri Dato' Seri Mohamed Jawhar	5 out of 5	100
Tan Sri Lee Lam Thye	5 out of 5	100
Dato' Abdul Kadir Bin Mohd Deen	5 out of 5	100

A full Audit Committee report detailing its composition, terms of reference and summary of activities during the year is set out on pages 128 to 134 of this Annual Report.

Risk Management Committee

Risk Management Committee was established on 12 May 2011 and the members are:

Member	Attendance	%
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor <i>(Chairman)</i>	3 out of 4	75
Tan Sri Dato' Seri Mohamed Jawhar	3 out of 4	75
Dato' Gumuri Bin Hussain	4 out of 4	100
Datuk Ahmad Bin Abd Talib, JP	4 out of 4	100

A Risk Management Committee detailing its responsibilities, terms of reference and summary of initiatives/activities during the year is set out on pages 135 to 137 of this Annual Report.

Nomination Committee

Nomination Committee was established on 19 August 2003. The committee held one (1) meeting in 2012 on 23 February 2012 and the members are:

Member	Attendance	%
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor (Chairman)	1 out of 1	100
Tan Sri Dato' Seri Mohamed Jawhar	1 out of 1	100
Tan Sri Lee Lam Thye	1 out of 1	100
Dato' Abdul Kadir Bin Mohd Deen	0 out of 1	0

Responsibilities & Activities

- To assist the Board in assessing its overall effectiveness.
- To assist the Board in reviewing its required mix of skills, experience and other qualities Non-Executive Directors should bring to the Board.
- To identify and recommend new nominees to the Board and committees of the Board of Media Prima and nominees to the Boards of its subsidiaries. All decisions and appointments are made by the respective Boards after considering the recommendation of the Nomination Committee.

Remuneration Committee

Remuneration Committee was established on 19 August 2003. The committee held three (3) meetings in 2012 and the members are:

Member	Attendance	%
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor (Chairman)	3 out of 3	100
Dato' Abdul Kadir Bin Mohd Deen	1 out of 3	33
Tan Sri Lee Lam Thye	3 out of 3	100
Datuk Shahril Ridza Bin Ridzuan	3 out of 3	100

Responsibilities & Activities

- To review any major changes in employee benefit structures throughout the Company or Group, and if seen as fit, recommend to the Board for adoption.
- To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
 - Merit Increment;
 - Merit Bonus; and
 - Incentives (based on sales and others).
- To review and recommend to the Board, improvements (if any), on designated Executive Managements' remuneration policy and package and any other issues relating to benefits of designated Executive Management on an annual basis.
- To establish a formal and transparent procedure for developing policy on the total individual remuneration package of Executive Directors, GMD and other designated Executive Management including, where appropriate, bonuses, incentives and share options.
- To design the remuneration package for all Executive Directors, GMD and other designated Executive Management with the aim of attracting and retaining high-calibre designated Executive Management who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board for approval.
- To determine and recommend to the Board the framework or broad policy for the remuneration packages of the GMD, the Chairman of the Company and such other members of the Executive Management as it is designated to consider.



Statement on Corporate Governance

Employee's Share Option Scheme (ESOS) Committee

ESOS Committee was established on 27 August 2004. The Committee did not hold any meeting in 2012.

Member
Dato' Abdul Kadir Bin Mohd Deen (<i>Chairman</i>)
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor
Dato' Amrin Bin Awaluddin

Responsibilities & Activities

- To implement and administer the Media Prima Employees' Share Option Scheme in accordance with the by-laws approved by the shareholders of the Company.
- To determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.

Management Committee

The Group has established various Management Committees such as the Programme Committee, Group Risk Management & Audit Committee, Procurement Committee, Tender Committee, ICT Steering Committee, Integration Committee, Recovery Executive Committee, Newsprint Committee and Project Serumah Committee to help the Board fulfil its responsibilities.



The salient terms of reference of the established Management Committees are as follows:

Committee	Responsibility
Programme Committee	To ensure transparency of the procurement process particularly on the favourability of television contents.
Group Risk Management & Audit Committee	To oversee the Group's risk management activities and internal control processes.
Procurement and Tender Committee	To ensure transparency and integrity of the procurement process on capital and operational expenditures.
ICT Steering Committee	To review and monitor the status of implementation of ICT initiatives within the Group.
Integration Committee	To assist and monitor the process of integration and internal wide restructuring exercise for the Group.
Recovery Executive Committee	To plan and manage business recovery and business operations in the event of a disaster or major disruption to key business operations.
Newsprints Committee	To ensure that the supply of newsprints is sufficient and the pricing for acquisition of the newsprints are in the best interest of the Company.
Project Serumah Committee	To ensure effective relocation process between MPB's premises and accommodate expansion plan for the Group.
Donation Committee	To set annual plan for the fund raising campaigns and to monitor the charity events organised by the Group.

B. DIRECTORS' REMUNERATION

Level and Make-up of Remuneration

The Group has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration package of the individual director. The objective of the Group's policy on directors' remuneration is to attract and retain directors of the calibre needed to play effective oversight role in the successful management of the Group.

The Remuneration Committee (RC), comprising of wholly Non-Executive Directors, carries out the annual review of the overall remuneration policy for Executive Directors whereupon recommendations are submitted to the Board for approval. The remuneration for Executive Directors is structured to link rewards to corporate and individual performance. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of these directors.

An annual review by the RC records the performance of the GMD and Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and in tandem with Media Prima's corporate objectives, culture and strategy.

The determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as directors), is a matter for the Board as a whole subject to approval of shareholders at the AGM. Each individual director abstains from the Board's decision on his own remuneration.

Remuneration Package

The remuneration package of the Executive Directors is as follows:

i. Basic Salary

Remuneration Committee recommends the basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies.

ii. Performance Bonus

The Group operates a performance based bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the achievement of KPI set for the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

iii. Fixed Allowance

Executive Directors are entitled for fixed allowances.

iv. Employees' Share Option Scheme (ESOS)

Executive Directors are also eligible to participate in the employees' share option scheme designed to incentivise employees of the Group.

v. Benefits-in-kind

Executive Directors are entitled to other customary benefits such as Group Hospitalisation and Surgical Insurance, leave passage, car and driver.

Non-Executive Directors are paid annual fees, attendance allowance for each Board meeting attended. They are also entitled for Group Hospitalisation and Surgical Insurance. The Chairman is entitled to leave passage, contributions to Employee Provident Fund, a car and driver benefits.

Directors of Media Prima are also covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in discharging their duties while holding office as directors of the Group. The directors contribute partially toward the payment of the insurance premium.



Statement on Corporate Governance

The details on the aggregate remuneration of directors for the financial year ended 31 December 2012, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:

Non-Executive Directors

	Fees (Media Prima)	Fees (Subsidiaries)	Bonus	EPF	Other Remuneration/ Emoluments	Benefits- in-Kind	Total
Name of Directors	<----- RM ----->						
Datuk Johan Bin Jaaffar	75,000	177,986	85,000	74,400	419,731	20,525	852,642
Tan Sri Dato' Seri Mohamed Jawhar	60,000	105,000	20,000	–	34,750	20,525	240,275
Dato' Gumuri Bin Hussain	60,000	18,741	20,000	–	32,000	–	130,741
Dato' Abdul Kadir Bin Mohd Deen	60,000	60,275	20,000	–	29,000	–	169,275
Tan Sri Lee Lam Thye	60,000	47,932	20,000	–	30,500	–	158,432
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	60,000	40,000	20,000	–	33,500	–	153,500
Datuk Shahril Ridza Bin Ridzuan	60,000	–	20,000	–	10,000	–	90,000
Total	435,000	449,934	205,000	74,400	589,481	41,050	1,794,865

Executive Directors

	Salary	Bonus	EPF	Other Remuneration/ Emoluments	Benefits- in-Kind	Total
Name of Directors	<----- RM ----->					
Dato' Amrin Bin Awaluddin	881,340	467,376	259,965	146,012	7,200	1,761,893
Dato' Sri Ahmad Farid Bin Ridzuan	807,145	269,684	216,840	170,256	12,592	1,476,517
Datuk Ahmad Bin Abd Talib, JP	593,052	251,680	157,462	72,000	10,205	1,084,399
Total	2,281,537	988,740	634,267	388,268	29,997	4,322,809

The remuneration paid to Directors during the year, analysed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia Listing Requirements is as follows:

Remuneration Band	Number of Directors	
	Non-Executive	Executive
RM50,001 – RM100,000	1	
RM100,001 – RM150,000	1	
RM150,001 – RM200,000	3	
RM200,001 – RM250,000	1	
RM850,001 – RM900,000	1	
RM1,050,001 – RM1,100,000		1
RM1,450,001 – RM1,500,000		1
RM1,750,001 – RM1,800,000		1
Total	7	3

Note:

Successive bands of RM50,000 are not shown entirely as they are not represented.

C. SHAREHOLDERS

Investor Relations

The Group maintains regular and proactive communication with its shareholders and investors, with the provision of clear, comprehensive and timely information through a number of readily accessible channels such as Corporate Website, AGM and Investors Briefing.

The Group's Investor Relations policy provides guidelines on the activities that enable the Board and Management to communicate effectively with the investment and financial community and other stakeholders including institutional investors, fund managers, analyst, bankers as well as research and stock-broking houses and the general public in relation to dissemination of timely, relevant and accurate information pertaining to the Group.

A summary of investor relations activities undertaken by Media Prima Berhad during the year is set out on page 85 of this Annual Report.

Websites

The Group strives to ensure that shareholders and the general public would have easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information via its website www.mediaprima.com.my. Each of Media Prima's subsidiaries also has established their own website as a source of information and excellent medium of communication to shareholders and the general public.

Whistle-blowing Policy

In order to strengthen corporate governance practices across the Group, a whistle-blowing policy was established to provide employees with accessible avenue to report suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to promote and encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be protected from reprisal.

Whistle-blowing policy together with anti-fraud policy is available for all staff and can be accessed via intranet. The key components of the whistle blowing provision include protection to the whistle blower from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistle blower to the regulators.

Any employee who believes or suspects that a fraud exists or has been committed should report this to the Group General Manager, Group Corporate Governance Department.

Annual General Meeting

In addition to the quarterly financial reports and annual report, the Annual General Meeting (AGM) remains the principal opportunity for communication with shareholders and investors. At each AGM, the Board presents the progress and performance of the Group. The Chairman and/or the Group Managing Director presents a comprehensive review of the financial performance of the Group and value created for shareholders. This review is supported by visual and graphical presentation of key points and financial figures.



Statement on Corporate Governance

Shareholders are encouraged to participate in the proceedings and ask questions on the operations of the Group and on any resolutions being proposed. The Chairman will provide sufficient time for shareholders' questions on matters pertaining to the Group's performance and seek to explain concerns raised by the shareholders.

Each item of ordinary and special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for separate issues at the meeting and the Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. A press conference is held immediately after the AGM where the Chairman and the Group Managing Director will clarify and explain issues raised by the media and analysts. An analyst briefing will also be held in the course of providing all stakeholders with the latest updates on the Group.

The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to any of the following personnel:

Name	Related Matters
Mohamad Ariff Ibrahim Group Chief Financial Officer Phone No: 603 7726 6508	Financial/Investor Relations
Zafrul Shastri Hashim Group General Manager, Legal & Secretarial Phone No: 603 7729 1345	Legal and Secretarial
Sere Mohammad Mohd Kasim Group General Manager, Group Corporate Governance Phone No: 603 7726 3125	Internal Control and Internal Audit
Mohd Hisham Md. Shazli Group General Manager, Group Risk Management Phone No: 603 2282 7599	Risk Management
Tuan Haji Zulkifli Haji Mohd Salleh Group General Manager, Stakeholder Management & Regulatory Affairs Phone No: 603 7726 0884	Stakeholder Management

Name	Related Matters
Laili Hanim Mahmood Group General Manager, Regulatory Affairs Phone No: 603 7726 0891	Regulatory Compliance
Mastura Adnan Group General Manager, Corporate Communications Phone No: 603 7725 2135	Corporate Responsibility and Other Queries

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects in presenting the annual financial statements and quarterly announcement to shareholders. This also applies to other price-sensitive public reports and reports to regulators.

On behalf of the Board, the Audit Committee scrutinises the financial and statutory compliance aspects of the audited financial statements and adherence to internal policies and procedures prior to full deliberation at the Board level. The Board ensures the integrity of the Group's financial reporting and fully recognises that accountability in financial disclosure forms an integral part of good corporate governance practices.

Dividend Policy

The MPB Group integration exercise has significantly changed the financial landscape of the Group. The management has proposed a revised dividend policy that would provide the flexibility to the Group to channel the excess cash flow to maximise shareholders' returns. The dividend policy reflects the Board's current views on the Group financial and cash flow position. It will be reviewed from time to time as it is the policy of the Board, in recommending dividend distribution.

The Board of Directors has approved a dividend policy with a pay-out ratio ranging from a minimum of 25% to the maximum of 75% based on;

- PATAMI
- Funding requirement (capital expenditure & investments); and
- Availability of cash flow.

Internal Control

The Boards acknowledges its responsibility for the Group's system of internal controls and risk management and for reviewing the effectiveness of these systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

The Statement on Risk Management and Internal Control furnished on pages 120 to 127 of the Annual Report provides an overview on the state of risk management and internal controls system within the Group.

Corporate Responsibility

The Group's corporate responsibility initiatives are explained in our Sustainability Report 2012.

Relationship with the Auditors

The Board has established a formal, transparent and appropriate relationship with the Group's auditors, both external and internal, through the Audit Committee.

The Audit Committee meets regularly with the External and Internal Auditors to discuss and review the audit plan, quarterly financial results, annual financial statements and the audit findings, and makes recommendations for the Board's approval. During the year, the Board has also met with the External and Internal Auditors without the presence of the Executive Directors and Management.

A report by the Audit Committee and its Terms of Reference are provided on pages 128 to 134 of the Annual Report.

E. STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for the preparation of the financial statements of the Group and the Company. The Board has ensured that the financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards.

It is also the Board's responsibility to ensure that accounting records are accurate, within margins of reasonableness, which discloses the financial position of the Group and the Company in a true and fair manner.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated on 20 February 2013.



Additional Compliance Information

1. SHARE BUY-BACK

There was no share buy-back exercise carried out by the Company for the financial year ended 31 December 2012.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any Options, Warrants and Convertible Securities during the financial year ended 2012 save for the following:

(a) Employees' Share Options Scheme ("ESOS")

- (i) The Company's ESOS was approved at an Extraordinary General Meeting ("EGM") held on 14 May 2010, for a period of five (5) years up to 13 May 2015 ("MPB ESOS"). As at 31 December 2012, three (3) offers were made to employees, the details of which are as below:

Exercise Price	Total of Options Granted ('000)	Options Exercised and Shares Issued during 2012 ('000)	Options Exercised and Shares Issued since commencement of MPB ESOS ('000)
RM1.80	79,283	4,371	63,223
RM1.98	2,322	145	1,745
RM2.10	480	40	244

A total of 14,708,027 options are still outstanding for the employees under the MPB ESOS.

Under the MPB ESOS, a total of 1,550,000 options were granted to the Executive Directors at the exercise price of RM1.80, out of which 160,000 options were exercised during the financial year ended 31 December 2012. A total of 630,000 options are still outstanding for the Executive Directors under the MPB ESOS.

- (ii) Under the approval made at the EGM, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options offered available under MPB ESOS. The actual percentage granted to them was 4.8%.

Conversion of Warrants

- (b) There was an issuance of 6,984,498 ordinary shares of RM1.00 each arising from the exercise of 6,984,498 MPB Warrants 2009/2014 at an exercise price of RM1.80 per Warrant.

3. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme in the financial year ended 31 December 2012.

4. NON-AUDIT FEES

The amount of Non-Audit Fees paid/payable to external auditors and their affiliated companies by the Company for the financial year ended 31 December 2012 is set out in Note 6 to the financial statements for the financial year ended 31 December 2012 on page 181 of this Annual Report.

5. PROFIT GUARANTEE

There was no profit guarantee for the financial year ended 31 December 2012.

6. LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on pages 261 to 266 of this Annual Report. There was no revaluation of properties of the Group during the financial year other than the result of MFRS 1 exemption options whereby the Group elected to measure certain properties at fair value as at transition date as their deemed cost as at that date. This has been disclosed in Note 24 and Note 25 to the financial statements for the financial year ended 31 December 2012 on pages 204 to 211 of this Annual Report.

7. MATERIAL CONTRACTS

There have been no material contracts involving Directors and Major Shareholders' interests entered into since the end of the previous financial year.

8. SANCTIONS AND/OR PENALTIES

There were no significant sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or management by the relevant regulatory bodies during the financial year.

9. VARIATION IN RESULTS

There were no variations in results (differ by 10% or more) from any profit estimate/forecast/projection/unaudited results announced.

10. UTILISATION OF PROCEEDS

On 23 March 2010, the Company issued 4.95% Redeemable Fixed Rate Bonds at a total nominal value of RM150.0 million with 50 million detachable warrants on a bought deal basis to Affin Investment Bank Berhad and Affin Bank Berhad, in accordance with the Trust Deed governing the Bonds dated 23 February 2010.

Proceeds from the issuance of RM143.7 million Bonds have been utilised for the following purposes:

- (i) Repayment of the Bridging Loan of RM53.6 million; and
- (ii) Finance investments in media related assets of RM19.9 million, RM15.8 million and RM23.1 million in Year 2010, 2011 and 2012, respectively.

The remaining balance of RM31.3 million will be utilised for MPB's investments in media related assets/new investments in media related assets and capital expenditure in the future.

11. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF REVENUE NATURE

There were no RRPTs during the financial year ended 31 December 2012.



Statement on Risk Management and Internal Control

Pursuant to Paragraph 15.26(b) of the Main Listing Requirement of Bursa Malaysia Securities Berhad, the Board of Directors of listed companies is required to include in its Company's Annual Report a 'statement about the state of its internal controls of the listed issuer as a group'.

The Malaysian Code on Corporate Governance 2012 under Principle 6 states that the Board should establish a sound risk management framework and internal controls system.

The Board is pleased to provide the following statement that was prepared in accordance with the revised guideline, called the Statement on Risk Management and Internal Control - Guidelines for Directors of Public Listed Issuers which outline the nature and scope of risk management and internal control of the Group during the financial year under review.

A. RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of risk management and internal controls, and for reviewing the adequacy and integrity of the systems to safeguard the shareholders' interest and the Group's assets. It should however be noted that such systems are only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Accordingly, these systems can only provide reasonable but not absolute assurance against material losses, fraud, misstatements or breaches of laws or regulations.

The Board and Management acknowledges that a sound internal controls system is a vital process developed to ensure effective and efficient operation, provide reliable and relevant reporting, and compliance with the applicable laws and regulations.

The Group has in place a continuous, proactive and systematic control structure and process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives. The control structure and process which has been established throughout the Group is updated and reviewed from time to time to suit the changes in business environment.

B. CONTROL ENVIRONMENT AND ACTIVITIES

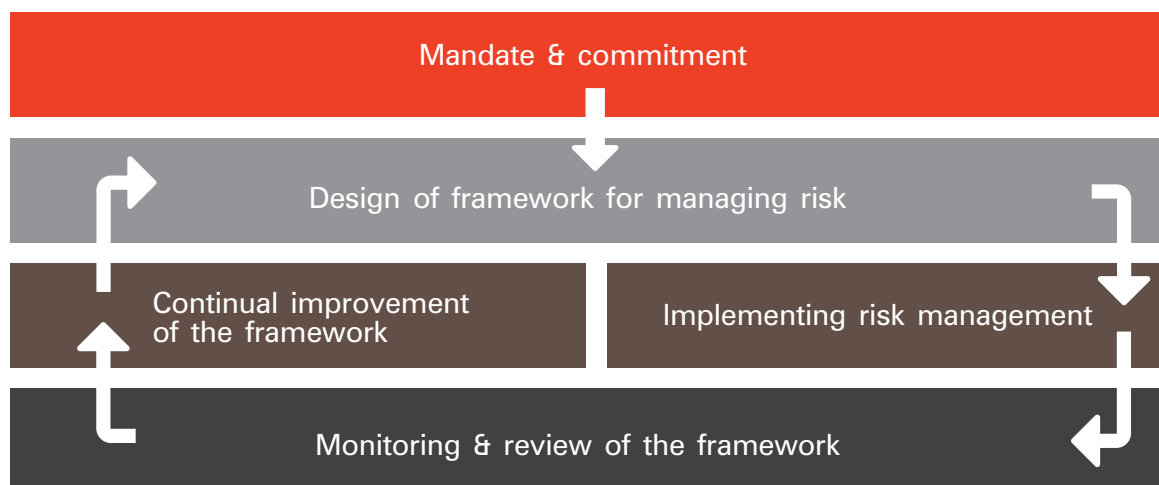
The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Group's control environment comprises of the following components which have been in place throughout the financial year:

Risk Management Framework

- The Board has established a Risk Management Framework to ensure that business, financial and manpower risks are identified, assessed and managed effectively. The risk management process requires Management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to evaluate the adequacy of mechanisms in place to manage these risks.

- The Group is continuously committed in setting new standards whilst maintaining an effective risk management framework to ensure the Group's objectives are achieved and stakeholders interest are protected. The Board acknowledges its responsibility to adopt best practices in risk management and internal control as part of the Group's business culture.
- Achievement of the Group's business objectives depends, among other things, on external economic factors, the unpredictability of market trends, ever evolving technology, unforeseen calamities and human factors.
- The Group's risk management methodology is based on an integrated risk management model that considers risk at all levels of the organisation. The Group is currently aligning the risk management framework towards the new international standard ISO 31000, Risk Management - Principles and Guidelines.
- Risk management within the Group is monitored by Management on a strategic perspective allowing business units to ensure risk identification and action plans have been implemented based on the Group's risk methodology.
- The implementation of the framework ensures that business risks are identified, assessed and managed effectively. This framework provides the platform to adopt a more holistic and integrated approach to managing risk. The objectives of the framework are as follows:
 - Establish a clear Risk Management Policy;
 - Allocate and optimise the use of resources in managing risk effectively;
 - Measure risk management against performance indicators;
 - Inculcate an effective risk management culture throughout the Group;
 - Safeguard financial and non-financial assets of the Group;
 - Ensure compliance to policies, procedures, guidelines, laws and regulations; and
 - Establish an integrated risk management process where;
 - Risk management operating structure is formalised and key lines of responsibility for risk management throughout the Group are defined;
 - Monitoring of major risk factors, which may have significant impact on individual businesses and the Group, is centralised at Group Senior Management level; and
 - A transparent system of information and communication for risk management between operations, Management and Board of Directors is achieved.

FRAMEWORK FOR MANAGING RISK



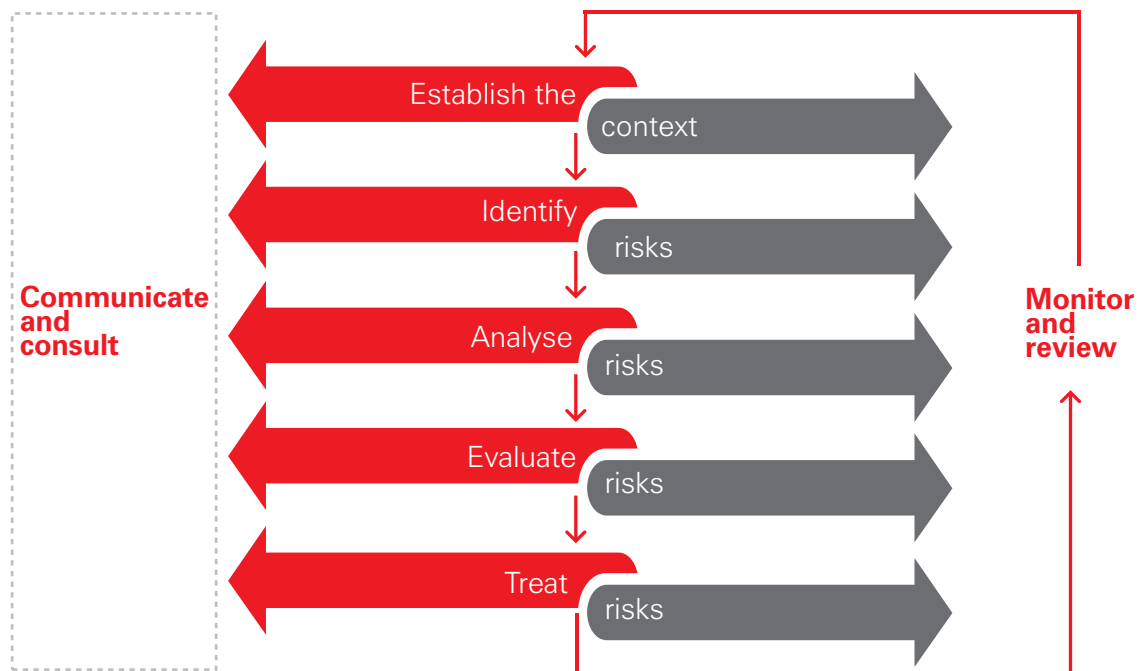


Statement on Risk Management and Internal Control

Risk Management Committee

- The Board has also delegated the responsibility of reviewing the risk management systems and to ensure the effectiveness of the Group's Risk Management Framework to the Risk Management Committee (RMC). The RMC updates the Board on the significant changes that affect the risk profile of the Group. Further details of the activities undertaken by the RMC during the year are set out in the Risk Management Committee Report on pages 135 to 137.

Risk Management Process



- The risk management process in place requires Management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to identify and evaluate the adequacy of mechanisms in place to manage, mitigate, avoid or transfer these risks.
- The process encompasses assessments and evaluations at business unit process level before being examined on a Group perspective.
- Group Risk Management Department (GRM) had conducted several discussions with Senior Management to further enhance the risk criteria for the respective subsidiaries. These communication sessions are also conducted to ensure that the interest of stakeholders are acknowledged and considered when defining the risk criteria in evaluating risk.
- Another key area in the risk management process is establishing the context whereby the objectives, scope and activities of the organisation is clearly defined and this is done by active engagement with the relevant stakeholders.
- Due to the uncertainty inherent in any business and by identifying and analysing a range of risk, risk owners are better able to implement controls and treatments to mitigate the likelihood and consequence of the uncertainty.

- GRM also conducts risk assessments for every unit of the Group and assists staff in understanding the application of the process. The Risk Management Framework ensures a consistent system of risk management across the Group with clear executive support. Each appointed divisional Risk Liaison Officer is responsible for risk management activities in their specific division.
- The principal reporting responsibility of the respective departments is to submit quarterly risk assessment reports on the key risks as identified by the Group-wide risk assessment process.
- Based on the compilation and analysis of risk monitoring results, Risk Profile Review Reports are then prepared and presented to the Group Risk Management and Audit Committee (GRMAC), RMC and the Board on a quarterly basis for evaluation as well as to recommend effective control measures and risk mitigation strategies.
- The internal audit function has a clear line of reporting to the Audit Committee and the Audit Committee determines the remit of the Internal Audit function. Thus, the internal audit function is independent of the activities being audited and is performed with impartiality, proficiency and due professional care.

Board of Directors

- The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group's operations and performance and to address key policy matters. The Group Managing Director leads the presentation of Board papers and provides comprehensive explanation over pertinent issues.
- The prerequisite to decisions made in the meeting is the thorough deliberation and discussion by the Board, together with recommendations and feedback from Management. In addition to quarterly financial results, corporate proposals, Group's Risk Profile, progress reports on business operations are also tabled at the Board's quarterly meetings.

Internal Audit Function

- The Group internal audit function was set up by the Board to provide independent assurance of the adequacy of risk management, internal control and governance systems. Group Internal Audit activities are guided by an Internal Audit Charter which is approved by the Audit Committee.
- The Group's internal audit function undertakes regular reviews of the Group's operations and its system of internal controls. The internal audit function reviews the Group's activities based on an approved audit plan presented to the Audit Committee. The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Group's Risk Management Framework, input of the Senior Management and the Board.
- Internal audit findings are discussed at management level and actions are agreed in response to the internal audit recommendations. The progress of implementation of the agreed actions is being monitored by Internal Audit through follow up reviews.

Independence of the Audit Committee

- The Audit Committee is comprised of four (4) Non-Executive Directors who are highly experienced and whose knowledge, background and judgement are invaluable to the Group. The Audit Committee have unimpeded access to both the Internal and External Auditors and has the right to convene meetings with the auditors without the presence of Executive Directors and Management.
- The Audit Committee reviews the work of the Internal and External Auditors, their findings and recommendations to ensure that it obtains the necessary level of assurance with respect to the adequacy of the internal controls. Further details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report on pages 128 to 134.



Statement on Risk Management and Internal Control

Management Committees

- Management Committees have been established to ensure that the Group's interests are adequately protected in arriving at important business/operational decisions. The committees include the Programme Committee, Newsprint Committee, Group Risk Management & Audit Committee, Procurement Committee, Tender Committee, ICT Steering Committee, Donation Committee, Integration Committee, Project Serumah Committee and Recovery Executive Committee with clearly defined terms of reference.

Senior Management Meeting

- Senior Management meetings are held on a monthly basis to formulate strategies on an on-going basis and to address issues arising from changes in both the external business environment and internal operating conditions.

Business Plan and Budget

- Annual business plans and budgets are prepared by the Company's business units, and are reviewed and approved by the Board. The performance of each business unit is assessed against the approved budget, with explanation on significant variances provided to the Board on a periodic basis.

Documented Policies and Procedures

- Policies and procedures of business processes are documented and set out in a series of Standard Operating Manuals and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs.
- Policies and procedures developed and enforced during the year are Crisis Management Plan, Public Service Announcement & Advertorial and Guideline on Usage of Engineering Equipment. All the documented policies and procedures can be accessed via the Company's intranet at <http://peopleconnect.mediaprima.com.my>.

Human Resource Policy

- The Group has in place, a comprehensive Human Resources Policy approved by the Board that set the tone of control consciousness and employee conduct. There is also in place, supporting procedures for the reporting and resolution of actions contravening these policies.
- There are proper guidelines within the Group regarding employment and dismissal, formal training programmes as well as other relevant procedures in place to ensure that staff are competent and adequately guided in carrying out their responsibilities.
- The Group has also in place a Performance Management System, which is linked to and guided by Key Performance Indicators (KPI) and accountability.

Limit of Authority

- The Limit of Authority (LOA) for the Group has been structured to define all the common matters pertaining to operations such as policy approval, awarding of projects and capital and operational expenditures. It serves as a control whereby a cross-check system has been incorporated to minimise any abuse of authority.
- The system provides that approvals granted should be supported by a recommendation from the subordinates and notified to the superior of the approving authority particularly pertaining to material transactions.
- The highest approving authority is the Board of Directors where the transactions will determine the direction and financial position of the Group and are above the limit that has been granted to the Group Managing Director.
- A separate LOA for each subsidiary company has been prepared in order to ensure adequate management control and smooth operations at subsidiary level. All Heads of subsidiary shall always be governed by the authority limits accorded to them in the LOA for the respective subsidiaries. The LOA are regularly reviewed and updated to reflect changing conditions.

Code of Ethics

- The Code of Ethics is communicated to all employees and compliance with this Code is mandatory. The Code serves as a guide and reference to assist employees to live up to the high ethical business standards, and it provides guidance on the way business and duties is conducted in an efficient, effective and fair manner.
- The Code highlights key issues and identifies the relevant policies and procedures and resources to help employees conduct business and duties with high integrity in line with the Group's acceptable practice.

Annual Assessment of Internal Controls

- In line with the Board's request, an annual assessment to evaluate the state of internal controls and risk management at each operating unit was conducted during the year. A General Audit Report (GAR) was issued to all the operating units within the Group at the end of the assessment.
- The rating system evaluates the achievement of the following key components:
 - Meeting key objectives and financial performance including cost control measures;
 - Compliance with risk management framework and internal control procedures; and
 - The effectiveness of Management supervision and the quality of staffing.
- The assessment provides the Board with the necessary assurance that a sound control environment and structure are in place.

Fraud Prevention Manual and Whistle-blowing Policy

- The Group has established a Fraud Prevention Manual consisting of the Anti-fraud Policy and Whistle-blowing Policy. The manual builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group.

Policy	Description
Anti-fraud Policy	<ul style="list-style-type: none"> – Defines fraud and fraudulent activities. – To limit the opportunity for fraud by increasing the prevention, detection and prosecution of fraudulent activities.
Whistle-blowing Policy	<ul style="list-style-type: none"> – Guides employees in communicating instances of illegal or immoral conduct to the appropriate parties and protects against victimisation and discrimination. – Provides proper investigation on all allegations or reports from within and outside of the Group.

Supplier Code of Conduct

- The Board expects all Media Prima's suppliers to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of their business and professional practices.
- A Supplier Code of Conduct is established in which the Group's minimum expectations on the suppliers vis-à-vis legal compliance and ethical business practices are stipulated.
- The Code applies to all suppliers, vendors, contractors and any other persons doing business with Media Prima and its subsidiary companies.

ICT Strategy Blueprint

- The Board acknowledges the importance of leveraging on Information Technology (IT) to promote effectiveness and efficiency of business operations.



Statement on Risk Management and Internal Control

- Reliance of key business operations to IT has been augmented with the following initiatives during the year:

Initiative	Purpose
Implementation of WAN Accelerator and Load Balance Appliance for Mission Critical Servers	– To enhance the scalability and availability of mission critical application servers.
Finance Budgeting and Consolidation System	– To accelerate the reporting of consolidated financials and to generate quick ad-hoc reports for effective business decisions.
Sri Pentas Wireless Security	– To accommodate the growing number of wireless users.
Managed Print Services	– To enforce best practice on centralised printing output devices with the aim of reducing waste and enhancing information security.
Information Security Management System (ISMS)	– To establish, implement, monitor, maintain and improve information security.

C. OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's risk management and internal controls system include:

- Monthly reporting of actual results and their review against budget, with major variances being followed up and Management actions taken, where necessary. The financial results are reviewed by the Board with Management on a quarterly basis, to enable both parties to gauge the Group's achievement of its annual targets and review any key financial and operational issues.
- Regular and comprehensive information provided to Management, covering financial performance and key performance indicators such as advertising market share, television viewership, programme ratings and utilisation of resources.
- Monitoring of performance including discussion of any significant issues at Senior Management meetings.
- Regulatory Affairs Department conducted seven (7) content regulatory workshops throughout the year as part of the initiatives to impart information and to provide explanation on the rules and regulations governing the broadcast industry based on the Communication and Multimedia Act 1998; Communication and Multimedia Content Forum Content Code and the respective license condition of each TV Networks/Radio Networks.
- Regular visits to operating units by Senior Management.

The officers responsible for monitoring of internal control, risk management, legal and regulatory compliance for the Group are as follows:

Name and Designation	Matters
Sere Mohammad Mohd Kasim Group General Manager, Group Corporate Governance	Internal Control and Internal Audit
Mohd Hisham Md. Shazli Group General Manager, Group Risk Management	Risk Management
Zafrul Shastri Hashim Group General Manager, Legal & Secretarial	Legal and Secretarial
Tuan Haji Zulkifli Haji Mohd Salleh Group General Manager, Stakeholder Management & Regulatory Affairs	Regulatory Compliance
Laili Hanim Mahmood Group General Manager, Regulatory Affairs	Regulatory Compliance

The Board believes that the development of the system of internal controls is an on-going process and has taken steps throughout the year to improve its internal controls system and will continue to do so.

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal controls system are operating adequately and effectively in all material aspects, based on the risk management and internal controls system of the Group.

The Board is satisfied that the risk management and internal controls system are operating adequately and effectively. Based on the assessment of the Group's risk management and internal controls system for the year under review and up to date of approval of this statement, no significant control failures or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's annual report were noted.

Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken. This statement, prepared for inclusion in the Annual Report of the Company for the year ended 31 December 2012 has been reviewed by the Audit Committee prior to their recommendation to the Board for approval.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 20 February 2013.

D. ASSOCIATED COMPANY

The state of risk management and internal control of Malaysian Newsprint Industries Sdn Bhd (MNI), an associated company of Media Prima Berhad is excluded from this statement. However, two Senior Managements from Media Prima Berhad namely Encik Mohamad Ariff Ibrahim and Encik Mohammad Azlan Abdullah are appointed to MNI's Board, attend its Board meetings and review the key financial information of the Company. These directors report to the Media Prima Berhad Board in the event that the Company does not appropriately manage significant risks.

E. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on Risk Management and Internal Control has been reviewed by the External Auditors as required by Paragraph 15.23 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad for the inclusion in the annual report of Media Prima Berhad for the year ended 31 December 2012.

Their review was performed in accordance with Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls system.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls system of the Group.



Audit Committee Report



MEMBERS OF THE AUDIT COMMITTEE

DATO' GUMURI BIN HUSSAIN

*Independent
Non-Executive Director*

- Chairman of Audit Committee.
- Member of Risk Management Committee.
- Member of the Malaysian Institute of Certified Public Accountants.
- Member of Malaysian Institute of Accountants.
- Fellow of the Institute of Chartered Accountants in England and Wales.

TAN SRI DATO' SERI MOHAMED JAWHAR

*Independent
Non-Executive Director*

- Member of Risk Management Committee.
- Member of Nomination Committee.

TAN SRI LEE LAM THYE

*Non-Independent
Non-Executive Director*

- Member of Nomination Committee.
- Member of Remuneration Committee.

DATO' ABDUL KADIR BIN MOHD DEEN

*Independent
Non-Executive Director*

- Chairman of Employees' Share Option Scheme (ESOS) Committee.
- Member of Nomination Committee.
- Member of Remuneration Committee.

A. TERMS OF REFERENCE

Composition of Members

1. The Committee shall be appointed from amongst its directors which fulfil the following requirements:
 - The Audit Committee must be composed of no fewer than three (3) members; and
 - At least one member of the Audit Committee:
 - i. Must be a member of the Malaysian Institute of Accountants (MIA); or
 - ii. If he is not a member of the MIA, he must have at least 3 years' working experience; and
 - He must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
2. The Chairman and majority of the Audit Committee members must be Independent Non-Executive Directors.
3. No alternate director is appointed as a member of the Audit Committee.
4. Where the Chairman is unable to attend the meeting, the members shall elect a person among themselves as Chairman.
5. In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.
6. The Company Secretary shall act as Secretary to the Committee.

Scope

1. The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to cooperate as requested by members of the Committee.
2. The Audit Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.
3. The Audit Committee shall provide assistance to the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies, financial management and control.
4. The Audit Committee, through regularly scheduled meetings, shall maintain a direct line of communication between Board, External Auditors, Internal Auditors and Management.
5. The Audit Committee shall provide greater emphasis on the audit functions by increasing the objectivity and independence of External and Internal Auditors and providing a forum for discussion that is independent of the Management.
6. The Audit Committee may invite any person to the meeting to assist the Committee in decision-making process and that the Committee may meet exclusively as and when necessary.
7. Serious allegations that have financial implications against any employee of the Company shall be referred to the Audit Committee for investigation to be conducted.

Authority

The Audit Committee shall have the following authority as empowered by the Board of Directors:

1. Have authority to investigate any matter within its terms of reference;
2. Have the resources which are required to perform its duties;

3. Have full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;
4. Have direct communication channels with the External Auditors and Internal Auditors carrying out the internal audit function or activity;
5. Be able to obtain independent professional or other advice; and
6. Be able to convene meetings with the External Auditors and Internal Auditors together with other independent members of the Board excluding the attendance of the Executive members of the committee whenever deemed necessary.

B. DUTIES AND RESPONSIBILITIES

The primary duties and responsibilities of the Audit Committee with the following groups are as follows:

Board/Management

1. Chairman of the Audit Committee is to provide written reports/updates on deliberations and decisions made at the Committee's level to the Board on regular basis with focus given to significant issues and resolutions by the Committee.
2. To submit to the Board a summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues.
3. To obtain satisfactory response from Management on reports issued by Internal and External Auditors.
4. To highlight significant findings identified and the impact of the audit findings on the operations.
5. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the Committee, all the above mentioned function shall also be performed by the Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation.



Audit Committee Report

6. To review arrangements established by Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Media Prima Group's operations.
7. To consider other areas as defined by the Board.

Internal Audit

1. To oversee the Internal Audit function by:
 - Reviewing the adequacy of the scope, functions and resources of the Internal Audit function, Internal Audit Charter and that it has the necessary authority to carry out its work;
 - Reviewing the Internal Audit programme, the results of the Internal Audit programme, processes or investigation undertaken and ensure that appropriate action is taken on the recommendations of the Internal Audit function;
 - Reviewing any appraisal or assessment of the performance of members of the Internal Audit function;
 - Determining and recommending to the Board the remit of the Internal Audit function, including the remuneration of the Group General Manager, Group Corporate Governance;
 - Approving any appointment or termination of senior staff members of the Internal Audit function;
 - Informing itself of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
 - Ensuring on an on-going basis that Internal Audit has adequate and competent resources;
 - Monitoring closely any significant disagreement between Internal Audit and Management irrespective whether they have been resolved; and
 - Ensuring that Internal Audit reports are not subject to the clearance of the Group Managing Director/Chief Executive Officer, save for purposes of presentation to the Group Risk Management & Audit Committee.

2. To consider the findings of internal audit investigations and Management's response.

External Audit

1. Review the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal and to make recommendations to the Board.
2. Assess the qualification, expertise, resources and effectiveness of the External Auditor.
3. Monitor the effectiveness of the External Auditor's performance and their independence and objectivity.
4. Review the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
5. Review the assistance given by the employees of the Company to the External Auditor.
6. To discuss with the External Auditor, audit report and evaluation of the system of the internal controls.
7. Review major audit findings and reservations arising from the interim and final audits, any matter the auditor may wish to discuss.
8. Review the External Auditor's Management letter and Management's response.

Financial Reporting

Review the quarterly and year-end financial statements of the Company, focusing particularly on:

- Any changes in accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumption; and
- Compliance with accounting standards and other legal requirements.

Related Party Transactions

Review any related party transactions that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management's integrity.

C. ACTIVITIES OF THE AUDIT COMMITTEE

The Committee carried out the following activities during the year in discharging its duties and responsibilities as stipulated in its Terms of Reference:

Attendance of Meetings

The Audit Committee held a total of five (5) meetings during the financial year 2012 and the details of attendance of the Committee members are as follows:

Name of Director	34th ACM 20 Feb 2012	Special ACM 1 Mar 2012	35th ACM 14 May 2012	36th ACM 8 Aug 2012	37th ACM 19 Nov 2012
Dato' Gumuri Bin Hussain (Chairman)	✓	✓	✓	✓	✓
Tan Sri Dato' Seri Mohamed Jawhar	✓	✓	✓	✓	✓
Tan Sri Lee Lam Thye	✓	✓	✓	✓	✓
Dato' Abdul Kadir Bin Mohd Deen	✓	✓	✓	✓	✓

ACM: Audit Committee Meeting

The Audit Committee meets on scheduled basis at least once every quarter. The Group Managing Director, the Group Chief Financial Officer and the Group General Manager, Group Corporate Governance were also invited for each meeting.

The Audit Committee also invited members of the Senior Management or relevant employees within the Group who the Committee deems fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

The quorum for each meeting shall be three (3) members. The Company Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes. Minutes of each meeting is signed by the Chairman and distributed to all attendees at the meetings and members of Committee.

The Audit Committee Chairman briefed the Board on matters discussed at every Audit Committee meeting. The Chairman is also responsible to update the Board about Committee activities and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial condition or affairs of the business.

The Committee has explicit right to convene meetings with both the Internal and External Auditors without the presence of other directors and employees. The Audit Committee held two meetings with the External Auditors on 20 February 2012 and 8 August 2012 respectively in the absence of Management and Executive Directors.

The Chairman of Audit Committee held separate meetings with the Group General Manager, Group Corporate Governance prior to every scheduled Audit Committee meeting.

Risks and Controls

1. Evaluated the overall effectiveness of the system of internal controls through the review of the results of work performed by Internal and External Auditors and discussions with Senior Management.
2. Reviewed the results of the Annual Assessment exercise.
3. Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report prior to their inclusion in the Company's Annual Report.



Audit Committee Report

Financial Results

1. Reviewed the Group's quarterly results before recommending to the Board for their approval and release of the Group's results to the Bursa Securities focusing on the following areas, where relevant:
 - Listing Requirements of the Bursa Securities;
 - Provisions of the Companies Act, 1965;
 - Applicable approved accounting standards; and
 - Other legal and regulatory requirement.
2. Reviewed the audited financial statements of Media Prima and its subsidiaries with the Group Managing Director, Group Chief Financial Officer and the External Auditors before recommending to the Board for their approval.
3. In the review of the annual audited financial statements, the Committee discussed with the Management and the External Auditors regarding the accounting policies and standards that were applied and their judgement of the items that may affect the financial statements.

External Audit

1. Reviewed with the External Auditors their audit plan, strategy and scope of the statutory audits of the Group accounts for the financial year ended 31 December 2012.
2. Reviewed the results and issues arising from their audit of the year-end financial statements and their resolution of such issues highlighted in their report to the Committee.
3. Reviewed their performance and independence before recommending to the Board their re-appointment and remuneration.

Internal Audit

1. Reviewed the Internal Audit plan for the financial year ended 31 December 2012 ensuring the principal risk areas were adequately identified and covered in the plan.
2. Reviewed the scope and coverage of the audit over the activities of the respective operating units of the Group and the basis of assessment and risk of the proposed areas of audit.
3. Reviewed and deliberated on audit reports and follow-up reports prepared by the Group Corporate Governance.
4. Reviewed the recommendations by Group Corporate Governance and appraised the adequacy and effectiveness of management response in resolving the audit issues reported.
5. Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
6. Reviewed the adequacy of resources and the competencies of staff within the Internal Audit function to execute the plan and the results of their work.
7. Appraised the performance of the Group General Manager, Group Corporate Governance.

Employees' Share Option Scheme

As per Paragraph 8.17(2) of Listing Requirements of Bursa Securities, the Audit Committee will review and verify any allocation of share options under Media Prima Berhad Employees' Share Option Scheme (ESOS), to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the by-laws of the Media Prima ESOS.

Training

The trainings attended by the Audit Committee members are reported in the Statement on Corporate Governance on page 109.

D. INTERNAL AUDIT FUNCTION

The Group has an established in-house Internal Audit function carried out by the Group Corporate Governance Department (GCG).

GCG headed by the Group General Manager, Encik Sere Mohammad Mohd Kasim reports to the Audit Committee. The activities of GCG are guided by the Internal Audit Charter that defines the roles, responsibilities, accountability and scope of work of the Department. This is to enable the Internal Audit function to remain relevant in the context of new challenges and opportunities in the changing global business and economic environment.

GCG has a total of 14 staff as at 31 December 2012. There were 2 new recruits for the year. The total operation costs of the department for 2012 was RM1,402,635 (2011: RM840,170) comprising of mainly salaries, travelling expenses and training.

GCG, through a systematic and structured approach is responsible for the following:

- i. Provide independent assurance to the Board and Management that adequate and effective internal controls system is in place to safeguard Company's assets;
- ii. Recommend improvements and enhancements to the existing system of internal control and work procedures/processes; and
- iii. Reference point to ensure effective implementation of policies and procedures and agent of change to promote best corporate governance practices.

The scope of coverage encompasses all units and operations of the Group, including the subsidiaries. The selection of units to be audited is premised on a risk based approach and it is the responsibility of GCG to provide the Audit Committee with an independent and objective report on the state of affairs of the risk management, internal control and governance processes.

During the year, the GCG has completed and issued internal audit reports for 14 assignments based on the approved annual audit plan. The audit conducted in 2012 covered wide range of operational areas within the Group which include review on Business Continuity Management, Content Acquisition (Television Networks), Ground Event (Television Networks and NSTP), Primeworks Studios for Film & Drama and Entertainment & Chinese Production, Editorial and Advertisement of NSTP, Big Tree Outdoors (Projects), Advertising & Promotion of Radio Networks, Management Claims and Expenses, Annual Assessment 2012 and NSTP Annual Stock Take 2012. The corresponding reports of the audits performed were presented to the Audit Committee and forwarded to the Management for attention and corrective actions.

The Management is responsible for ensuring that corrective actions on reported weaknesses as recommended are taken within the required timeframe. GCG continuously monitors the implementation of audit recommendations through periodic follow-up reviews.

GCG also works closely with External Auditors to resolve any control issues and assists in ensuring that appropriate management actions are taken. Management is responsible for ensuring that a written report on action planned or completed is sent to the Audit Committee and the Group General Manager, GCG.

During the year under review, the following activities were also carried out by GCG:

- Carried out investigation audit and ad-hoc assignments as instructed by the Audit Committee and Senior Management;
- Attended major competition based programmes organised by the Group's Television Networks and Print Media such as Anugerah Juara Lagu, Anugerah Bintang Popular BH, NST Spell It Right Challenge, Mentor and Versus to provide independent verification and confirmation of the competitions results and/or SMS votes;
- Participated in ground events organised by the Group such as Karnival Jom Heboh, Karnival Futsal Harian Metro and Karnival GP Joran for observation and identification of areas for process improvements;



Audit Committee Report

- Witnessed the tender opening process for procurement of fixed assets and tape disposal exercise to ensure due process has been observed and complied with according to approved Policies and Procedures;
- Communication sessions with Management on Internal Audit activities and planning of audits to ensure that areas of Management concern are covered;
- Prepared annual report statements of Statement on Corporate Governance, Statement on Risk Management and Internal Control and Audit Committee Report for Media Prima Berhad's financial year 2012 Annual Report; and
- Implemented an online Client Satisfaction Survey.

GCG is a corporate member of The Institute of Internal Auditors Malaysia (IIAM). As a member, the Department is entitled to access to publications, research papers, survey reports and other reference materials to enhance knowledge, attend courses for the continuous professional development and wide range of educational products and receive the monthly IIAM's Internal Auditor Journal. The Journal provides up to date and pertinent information on auditing techniques, applications, trends and best practices that has been a good reference to the Department.

GCG personnel participated in the following training and/or conferences during the year, in order to enhance their skills and knowledge and to continuously provide value added services to the Group. Each training programme attended will be followed by an internal knowledge sharing session. Trainings attended in 2012 include:

- Advocacy Sessions on Disclosures for CEOs and CFOs;
- Board of Directors' Workshop;
- Corporate Governance – The Competitive Advantage;
- Managers Development Track: Marshall Goldsmith;
- Audit Managers Tools and Techniques;
- Audit Works 2012, Singapore;
- 2012 Corporate Fraud Conference;
- 2012 National Conference – Rising Potential;
- Introduction for Forensic Accounting & Forensic Auditing;
- Corporate Talent Pool Retreat; and
- Operational, Safety and Health: Safety & Health.

The GCG Department is contactable via gcg@mediaprima.com.my

This report is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 20 February 2013.

Risk Management Committee Report

As a continuous effort to promote better governance, the Risk Management Committee (RMC) was formed in 2011 to oversee the Group's risk management systems, practices and to ensure the effectiveness of the Group's Risk Management Framework. The risk management profiles were formerly discussed at the Audit Committee meeting prior to escalation to the Board of Directors meeting. The RMC also considers any matters relating to the identification, assessment, monitoring and management of risks associated with the operations of the Group that it determines to be appropriate.

The RMC updates the Board on the significant changes that affect the risk profile of the Group. The Board monitors the implementation of the risk mitigation strategies and changes to the risk profiles.

1. RESPONSIBILITY AND DUTIES

- a. The duties of the RMC shall include:
 - i. Assessment and monitoring of all risks associated with the operations of the Group;
 - ii. Development and implementation of internal compliance and control systems and procedures to manage risk;
 - iii. Assessment and monitoring of the effectiveness of controls instituted;
 - iv. Review and make recommendations on behalf of the Board in relation to risk management;
 - v. To consider, and make recommendations on behalf of the Board in connection with, the compliance by the Group with its Risk Management Strategy;

- vi. To report to the Board on any material changes to the risk profile of the Group;
 - vii. To monitor and refer to the Board any instances involving material breaches or potential breaches of the Group's Risk Management Strategy; and
 - viii. To report to the Board, when necessary, in connection with the Group's annual reporting responsibilities to Bursa Malaysia in relation to matters pertaining to the Group's Risk Management Strategy.
- b. RMC shall have the authority to seek any information it requires from any officer or employee of the company or its subsidiary companies and such officers or employees shall be required to respond to such enquiries.
 - c. RMC may as and when deemed necessary invite other Board members and management personnel to attend the meetings where risk management issues are discussed.
 - d. RMC has the authority to direct special investigations on behalf of the Board, into significant risk management activities, as and when necessary.
 - e. RMC is authorised to take such independent professional advice as it considers necessary;
 - f. RMC shall make recommendations to the Board but shall have no executive powers with regard to its findings and recommendations.

2. MEMBERSHIP

Chairperson

– Y.Bhg Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor

Board of Director 1

– Y.Bhg Tan Sri Dato' Seri Mohamed Jawhar

Board of Director 2

– Y.Bhg Dato' Gumuri Hussain

Board of Director 3

– Y.Bhg Datuk Ahmad Abd Talib, JP

- a. RMC must be composed of no fewer than 4 members.



Risk Management Committee Report

- b. Majority of the members must be independent directors.
- c. The Chairperson shall be an independent, non-executive director.
- d. No alternate director is appointed as a member of the RMC.
- e. In the event of any vacancy in the RMC resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.
- f. The Company Secretary shall act as Secretary to the RMC.

3. MEETINGS

- a. To form a quorum in respect of a meeting of the Committee shall be a minimum of three (3) members.
- b. Meetings of the Committee shall be held at least four times per year.
- c. The Chairperson will call a meeting of the Risk Management Committee (RMC) if so directed by the Board. The Chairperson will call a meeting of the RMC if so requested by any Committee Member or the Group Managing Director (GMD).
- d. The Secretary is responsible for the co-ordination of administrative details including calling the meetings, voting and keeping of minutes.

4. ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2012, the Risk Management Committee (RMC) had met four (4) times and attendance of members are illustrated below:

Member	Attendance
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor <i>Chairman</i>	3/4
Tan Sri Dato' Seri Mohamed Jawhar	3/4
Dato' Gumuri Hussain	4/4
Datuk Ahmad Abd Talib, JP	4/4

During the year, the Group continued to enhance and evaluate the risk management framework for efficacy and coherence. Some of the risk management ongoing activities and/or initiatives include:

• Awareness Sessions

Awareness sessions serve as a refresher course and interactive session on certain standard operating policies and procedures to the primary users. These sessions are conducted by Group Risk Management Department in collaboration with identified stakeholders to introduce new operating policies and procedures and to reiterate relevant guidelines for the benefit of staff. These awareness sessions also serves as a platform for staff to clarify any uncertainty in regards to the Group's operating policies and procedures.

• Communication Sessions

In order to ensure a better understanding of the risk management framework and control procedures, and smooth implementation of new policies and procedures, the Risk Management team continuously holds presentations to educate and update the Group's staff accordingly. Control Risk Assessment Sessions (CRSA) are conducted with risk owners to identify and explain the objectives and processes involved in risk identification. During the year, Group Risk Management had conducted numerous sessions with senior management on risk management and to obtain feedback on areas affecting the risk criteria of the respective subsidiaries.

• Group Risk Management Web Portal

Group Risk Management Department strives for efficient communications with all other units within MPB. A web portal consisting of information such as Policies and Procedures and other information pertaining to risk are accessible to all employees through this portal. It acts as a reference point and interactive platform to welcome feedback on all relevant areas in regards to risk management. During the year, the following policies were issued and uploaded on the Group Risk Management web portal:

- Public Service Announcements and Advertorial Policy; and
- Guidelines on Usage of Engineering Equipment.

• Business Continuity Plan

Business Continuity Planning aims to minimise the impact of disruptions during a disaster while maximising resources available to resume normal operations. The Board recognises that it is crucial to ensure business continuity in case of significant disruption or disaster. The Business Continuity Plan (BCP) for the Group is being continuously reviewed to reflect changes in risk profiles and organisational structure. This Plan focuses on the sudden inability for the Group to provide services to its stakeholders due to the loss of physical assets, broadcasting and printing capability. In this respect, the Group has formulated a comprehensive plan that covers all actions to be taken before, during and after a disaster, with the following objectives:

- Minimise disruption of services to all levels of clients and stakeholders;
- Minimise financial loss;
- Ensure a timely (and prioritised) resumption of business operations in the event of disaster or disruption;
- Provide particular emphasis on information services and computer operations, given the integral relation between Information and Communications Technology and all parts of key operations;
- Ensure a safe and secure working environment and provide other assistance to help staff cope with the disruption and their individual workloads; and
- Provide adequate communications internally and externally in the event of disaster or disruption to operations.

During the year, the following initiatives were carried out in regards to business continuity and disaster recovery:

1. A consultant has been commissioned to enhance MPB's business continuity plan solution formulation for critical processes.
2. Management Information Services (MIS) had conducted a disaster recovery simulation for all key IT systems to ensure the disaster recovery plan for each of the systems are accurate and viable.
3. Radio Networks had constructed a playout system at a 'warm site' to effectively recover in the event of a disaster at radio conty locations.
4. The Business Continuity Plan for MPB is continuously updated to reflect the changes of the business within the Group.

• Occupational Safety and Health Policy

The Group has in place an Occupational Safety and Health (OSH) Policy and one of its subsidiaries, Sistem Televisyen Malaysia Berhad (TV3) had in 2006 successfully obtained the Occupational Health and Safety Assessment Series certification (OHSAS 18001:1999) awarded by Bureau Veritas Certification for establishing, implementing and maintaining a safe, healthy and conducive workplace related to broadcasting activities. MPB has established a dedicated OSH team to assist in the development of safety and health rules and are also involved in ensuring compliance to health and safety regulations at MPB's ground events. MPB is currently updating and revising the OSH system manual to incorporate the latest changes as required for the OHSAS18001:2007 certification.

This statement is made on the recommendation of the Risk Management Committee to the Board of Directors and as per the Board's resolution dated 20 February 2013.

Financial Statements



TELEVISION
NETWORKS



PRINT



RADIO
NETWORKS



OUTDOOR



CONTENT
CREATION



NEW MEDIA

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Directors' Report

The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

There has been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associates are set out in Note 26 and Note 27 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year from continuing operations	210,978	76,746
Net profit from subsidiary held for sale	334	–
Attributable to:		
Owners of the Parent	209,312	
Non-controlling interest	2,000	
Net profit for the financial year	211,312	

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2011 were as follows:

	RM'000
(1) In respect of the financial year ended 31 December 2011, a final single tier dividend of 5 sen per ordinary share on 1,078,449,869 ordinary shares, paid on 13 July 2012	53,922
(2) In respect of the financial year ended 31 December 2012, a first interim single tier dividend of 3 sen per share on 1,079,001,666 ordinary shares, paid on 28 September 2012	32,370
(3) In respect of the financial year ended 31 December 2012, a second interim single tier dividend of 3 sen per share on 1,079,625,985 ordinary shares, paid on 28 December 2012	32,389
	118,681

DIVIDENDS (CONTINUED)

The Directors had on 20 February 2013 recommended the payment of a final single tier dividend of 7.0 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUANCE OF SHARES

During the financial year, 11,540,417 new ordinary shares of RM1.00 each were issued by the Company comprising:

- 6,984,498 (2011: 7,552,490) ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM6,635,273 (2011: RM7,174,866) has been credited to the Share Premium reserve.
- 4,555,919 (2011: 53,902,718) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.80, RM1.98 and RM2.10 (2011: RM1.80, RM1.98 and RM2.10) per option. The premium arising from the exercise of ESOS of RM5,574,249 (2011: RM65,774,033) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS was approved by the shareholders on 15 April 2010 and became effective on 14 May 2010 for a period of five (5) years.

Details of the ESOS are set out in Note 12 to the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Datuk Johan Jaaffar (Chairman)
 Dato' Amrin Awaluddin
 Dato' Sri Ahmad Farid Ridzuan
 Datuk Ahmad Abd Talib
 Datuk Shahril Ridza Ridzuan
 Tan Sri Lee Lam Thye
 Tan Sri Dato' Seri Mohamed Jawhar
 Dato' Abdul Kadir Mohd Deen
 Dato' Gumuri Hussain
 Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor



Directors' Report

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS (see Note 7 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

REMUNERATION COMMITTEE

The Remuneration Committee concluded the annual review of the overall remuneration policy for Directors, the Group Managing Director and the Senior Management Officers where upon recommendations are made to the Board of Directors for approval. The members of the Remuneration Committee at the date of this Report comprise:

- Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor (Chairman)
- Dato' Abdul Kadir Mohd Deen
- Tan Sri Lee Lam Thye
- Datuk Shahril Ridza Ridzuan

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of interests of Directors who held office as at the end of the financial year in shares and options over ordinary shares in the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2012 '000	Additions '000	Disposals '000	As at 31.12.2012 '000
Dato' Amrin Awaluddin	328	–	(71)	257
Dato' Sri Ahmad Farid Ridzuan	460	–	–	460
Datuk Ahmad Abd Talib	25	160	(121)	64

	Number of options over ordinary shares of RM1.00 each			
	As at 1.1.2012 '000	Granted '000	Exercised '000	As at 31.12.2012 '000
Dato' Amrin Awaluddin	350	–	–	350
Dato' Sri Ahmad Farid Ridzuan	200	–	–	200
Datuk Ahmad Abd Talib	240	–	(160)	80

Other than as disclosed above, according to the Register of Directors' shareholdings, none of the other Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.



Media Prima Berhad

Directors' Report

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 February 2013.

DATUK JOHAN JAAFFAR
CHAIRMAN

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR

Statements of Comprehensive Income

for the financial year ended 31 December 2012

	Note	Group		Company	
		2012	2011	2012	2011
		RM'000	Restated RM'000	RM'000	RM'000
Continuing operations					
Revenue	2	1,697,845	1,622,133	164,114	332,037
Other operating income		11,701	16,390	–	740
Finance income	4	9,141	8,538	5,002	4,682
Programmes, film rights and album production costs					
– Amortisation		(185,465)	(179,183)	–	–
– Write off		(740)	(5,696)	–	–
Newsprint and production cost		(233,233)	(225,261)	–	–
Other editorial charges		(14,972)	(12,758)	–	–
Other direct costs		(127,683)	(99,374)	–	–
Distribution expenses		(30,678)	(34,536)	–	–
Employee benefits costs	5	(455,690)	(425,739)	(30,124)	(22,489)
Advertising and promotion expenses		(41,669)	(39,359)	(646)	(720)
Transmission rental and expenses		(35,935)	(32,440)	–	–
Repairs and maintenance		(35,660)	(29,258)	(2)	–
Utilities		(30,129)	(22,580)	(191)	(116)
Professional and consultancy fees		(17,718)	(15,959)	(2,028)	(1,117)
Rental of premises		(15,177)	(16,793)	–	–
License fees		(9,744)	(9,828)	–	–
Property, plant and equipment					
– Depreciation		(96,837)	(91,389)	(222)	(1,205)
– Net impairment charge		–	(2,168)	–	–
– Write off		(1,081)	(773)	–	–
– Net gain/(loss) on disposal		742	(1,786)	–	–
Investment properties					
– Depreciation		(1,727)	(1,763)	–	–
– Net gain on disposal		1,500	61	–	–
Impairment of receivables					
– Trade and other receivables		(769)	(10,363)	–	–
Fair value gain on financial assets at fair value through profit or loss		–	65	–	–
Amortisation of acquired rights		(3,809)	(4,272)	–	–
Other operating expenses		(79,743)	(79,189)	(3,515)	(2,698)
Profit from continuing operations	6	302,470	306,720	132,388	309,114
Finance cost	4	(27,451)	(32,085)	(24,087)	(29,342)
Share of results of an associate		7,926	3,107	–	–
Profit before taxation		282,945	277,742	108,301	279,772
Taxation	8	(71,967)	(71,416)	(31,555)	(45,288)
Net profit for the financial year from continuing operations		210,978	206,326	76,746	234,484



Statements of Comprehensive Income

for the financial year ended 31 December 2012

	Note	Group		Company	
		2012	2011	2012	2011
		RM'000	Restated RM'000	RM'000	RM'000
Discontinued operations/subsidiaries held for sale					
Profit from subsidiaries held for sale		–	1,528	–	–
Gain on disposal of subsidiary held for sale		334	724	–	–
Net profit for the financial year		211,312	208,578	76,746	234,484
Other comprehensive income/(expense):					
Revaluation of available-for-sale financial assets		1,200	280	–	–
Currency translation differences		–	(628)	–	–
Reclassification adjustment for gain included in profit or loss		(8,540)	(1,994)	–	–
Net other comprehensive expense for the financial year, net of tax		(7,340)	(2,342)	–	–
Total comprehensive income for the financial year		203,972	206,236	76,746	234,484
Profit attributable to:					
Owners of the Parent		209,312	206,585		
Non-controlling interests		2,000	1,993		
		211,312	208,578		
Total comprehensive income attributable to:					
– Owners of the Parent		201,946	206,037		
– Non-controlling interests		2,026	199		
Total comprehensive income for the financial year		203,972	206,236		

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 8.

	Note	Group	
		2012	2011 Restated
Basic earnings per share (sen) for:	9(a)		
– net profit from continuing operations		19.42	19.47
– net gain from subsidiary held for sale		0.03	0.21
– net profit for the financial year		19.45	19.68
Diluted earnings per share (sen) for:	9(b)		
– net profit from continuing operations		18.33	18.21
– net gain from subsidiary held for sale		0.03	0.20
– net profit for the financial year		18.36	18.41

The accounting policies on pages 155 to 175 and the notes on pages 176 to 250 form an integral part of these financial statements.

Statements of Financial Position

as at 31 December 2012

	Note	Group			Company		
		2012	2011	1.1.2011	2012	2011	1.1.2011
		RM'000	Restated RM'000	Restated RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS							
Property, plant and equipment	24	748,977	749,423	754,283	144	324	1,466
Investment properties	25	62,056	65,207	66,908	—	—	—
Subsidiaries	26	—	—	—	1,715,644	1,357,885	1,324,403
Associates	27	163,345	159,019	155,912	—	—	—
Amounts due from subsidiaries	33	—	—	—	—	394,741	423,508
Prepaid transmission station rentals		1,571	1,855	1,882	—	—	—
Available-for-sale financial assets	30	2,525	1,400	1,120	—	—	—
Intangible assets	29	375,240	370,455	381,830	—	—	—
Deferred tax assets	23	97,953	122,973	144,039	—	—	—
		1,451,667	1,470,332	1,505,974	1,715,788	1,752,950	1,749,377
CURRENT ASSETS							
Inventories	31	84,418	145,753	108,515	—	—	—
Trade and other receivables	32	435,352	379,800	344,869	2,645	541	667
Amounts due from subsidiaries	33	—	—	—	52,819	164,921	92,253
Tax recoverable		14,265	14,136	3,773	4,464	9,330	5,960
Financial assets at fair value through profit or loss	28	90	3,318	3,253	—	—	—
Deposits, cash and bank balances	34	682,378	450,096	317,931	468,443	247,566	135,145
		1,216,503	993,103	778,341	528,371	422,358	234,025
Assets held for sale	39	—	180	16,482	—	—	—
		1,216,503	993,283	794,823	528,371	422,358	234,025
TOTAL ASSETS		2,668,170	2,463,615	2,300,797	2,244,159	2,175,308	1,983,402



Statements of Financial Position

as at 31 December 2012

		Group			Company		
	Note	2012	2011	1.1.2011	2012	2011	1.1.2011
		RM'000	Restated RM'000	Restated RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES							
Bank guaranteed medium term notes	16(i)	–	–	99,226	–	–	99,226
Commercial papers medium term notes	16(ii)	300,144	–	–	300,144	–	–
Redeemable fixed rate bonds	16(iii)	148,353	146,679	145,008	148,353	146,679	145,008
Interest bearing bank borrowings – Term loans	18(a)	–	187,000	201,000	–	187,000	201,000
Hire-purchase and lease creditors	21	3,814	8,309	13,713	–	–	–
Trade and other payables	22	279	409	409	–	–	–
Deferred tax liabilities	23	70,297	70,674	71,500	–	–	–
		522,887	413,071	530,856	448,497	333,679	445,234
CURRENT LIABILITIES							
Trade and other payables	22	344,705	420,567	310,975	16,229	98,656	13,420
Amounts due to subsidiaries	33	–	–	–	13,857	29,020	6,088
Amounts due to an associate	35	3,613	2,005	11,437	–	–	–
Bank guaranteed medium term notes	16(i)	–	100,253	70,031	–	100,253	70,031
Interest bearing bank borrowings:							
– Term loans	18(a)	187,000	14,000	14,000	187,000	14,000	14,000
– Banker's acceptance	18	26,940	31,953	–	–	–	–
– Revolving credit	18	12,000	10,000	–	–	–	–
Current tax liabilities		4,295	8,422	8,043	–	–	–
		578,553	587,200	414,486	217,086	241,929	103,539
Liabilities of subsidiaries held for sale	39	–	–	23,239	–	–	–
		578,553	587,200	437,725	217,086	241,929	103,539

	Note	Group			Company		
		2012	2011	1.1.2011	2012	2011	1.1.2011
		RM'000	Restated RM'000	Restated RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES							
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Share capital	11	1,079,692	1,068,151	1,006,696	1,079,692	1,068,151	1,006,696
Share premium	13	385,162	372,953	300,004	385,162	372,953	300,004
Other reserves	14	72,744	83,144	107,406	18,715	21,749	45,463
Retained earnings/ (Accumulated losses)	15	9,692	(80,789)	(106,270)	95,007	136,847	82,466
		1,547,290	1,443,459	1,307,836	1,578,576	1,599,700	1,434,629
Non-controlling interest		19,440	19,885	24,380	–	–	–
		1,566,730	1,463,344	1,332,216	1,578,576	1,599,700	1,434,629
TOTAL LIABILITIES AND EQUITY							
		2,668,170	2,463,615	2,300,797	2,244,159	2,175,308	1,983,402
		Sen	Sen	Sen			
NET ASSETS PER SHARE*							
		143.31	135.14	129.91			

* Net assets per share is calculated by dividing the net assets (excluding portion allocated to non-controlling interest) of the Group by the number of ordinary shares in issue at the statement of financial position date.



Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2012

GROUP 2012	Note	Attributable to owners of the Company						Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-distributable		
At 1 January 2012		1,068,151	372,953	83,144	(80,789)	1,443,459		19,885	1,463,344
Profit and loss		-	-	-	209,312	209,312		2,000	211,312
Other comprehensive income:									
Revaluation of available- for-sale financial assets		-	-	1,174	-	1,174		26	1,200
Reclassification adjustment for gain included in profit and loss		-	-	(8,540)	-	(8,540)		-	(8,540)
Total comprehensive income		-	-	(7,366)	209,312	201,946		2,026	203,972
Transaction with owners:									
Exercise of Employees Share Option Scheme ("ESOS")	11(b)	4,557	5,574	(1,892)	-	8,239		-	8,239
Cancellation of ESOS	12	-	-	(95)	95	-		-	-
Exercise of warrants	11(a)	6,984	6,635	(1,047)	-	12,572		-	12,572
Acquisition of further interest in subsidiaries		-	-	-	(245)	(245)		(2,023)	(2,268)
Final dividends paid for the financial year ended 31 December 2011	10	-	-	-	(53,922)	(53,922)		-	(53,922)
First interim dividends for the financial year ended 31 December 2012	10	-	-	-	(32,370)	(32,370)		-	(32,370)
Second interim dividends for the financial year ended 31 December 2012	10	-	-	-	(32,389)	(32,389)		-	(32,389)
Dividends paid to non-controlling interests		-	-	-	-	-		(448)	(448)
Total transaction with owners		11,541	12,209	(3,034)	(118,831)	(98,115)		(2,471)	(100,586)
At 31 December 2012		1,079,692	385,162	72,744	9,692	1,547,290		19,440	1,566,730

← Attributable to owners of the Company →								
Non-distributable								
GROUP 2011	Note	Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2011, as previously reported		1,006,696	300,004	180,513	(260,063)	1,227,150	23,043	1,250,193
Transition from FRS to MFRS:								
– Impact of adoption of MFRS 1 exemption options	46(b)	–	–	(46,767)	60,548	13,781	90	13,871
– Impact of reassessment of accounting policies	46(c)	–	–	–	66,905	66,905	1,247	68,152
– Reclassification	46(d)	–	–	(26,340)	26,340	–	–	–
At 1 January 2011, as restated		1,006,696	300,004	107,406	(106,270)	1,307,836	24,380	1,332,216
Profit and loss		–	–	–	206,585	206,585	1,993	208,578
Other comprehensive income:								
Available-for-sale financial assets		–	–	280	–	280	–	280
Exchange differences on translation of foreign operations		–	–	(628)	–	(628)	–	(628)
Reclassification adjustment for gain included in profit and loss		–	–	(200)	–	(200)	(1,794)	(1,994)
Total comprehensive income		–	–	(548)	206,585	206,037	199	206,236
Transaction with owners:								
Exercise of Employees Share Option Scheme ("ESOS")	11(b)	53,903	65,774	(22,306)	–	97,371	–	97,371
Cancellation of ESOS	12	–	–	(275)	214	(61)	–	(61)
Exercise of warrants	11(a)	7,552	7,175	(1,133)	–	13,594	–	13,594
Acquisition of further interest in subsidiaries		–	–	–	(1,001)	(1,001)	(1,722)	(2,723)
Final dividends paid for the financial year ended 31 December 2010	10	–	–	–	(62,997)	(62,997)	–	(62,997)
First interim dividends for the financial year ended 31 December 2011	10	–	–	–	(31,904)	(31,904)	–	(31,904)
Second interim dividends for the financial year ended 31 December 2011	10	–	–	–	(32,031)	(32,031)	–	(32,031)
Special dividends for the financial year ended 31 December 2011	10	–	–	–	(53,385)	(53,385)	–	(53,385)
Dividends paid to non- controlling interests		–	–	–	–	–	(2,972)	(2,972)
Total transaction with owners		61,455	72,949	(23,714)	(181,104)	(70,414)	(4,694)	(75,108)
At 31 December 2011		1,068,151	372,953	83,144	(80,789)	1,443,459	19,885	1,463,344

The accounting policies on pages 155 to 175 and the notes on pages 176 to 250 form an integral part of these financial statements.



Statement of Changes in Equity

for the financial year ended 31 December 2012

	Note	Share capital RM'000	Non-distributable		Distributable	Total equity RM'000
			Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
COMPANY 2012						
At 1 January 2012		1,068,151	372,953	21,749	136,847	1,599,700
Total comprehensive income for the financial year		–	–	–	76,746	76,746
Transaction with owners:						
Exercise of ESOS	11(b)	4,557	5,574	(1,892)	–	8,239
Cancellation of ESOS	12	–	–	(95)	95	–
Exercise of warrants	11(a)	6,984	6,635	(1,047)	–	12,572
Final dividends paid for the financial year ended 31 December 2011	10	–	–	–	(53,922)	(53,922)
First interim dividends for the financial year ended 31 December 2012	10	–	–	–	(32,370)	(32,370)
Second interim dividends for the financial year ended 31 December 2012	10	–	–	–	(32,389)	(32,389)
Total transaction with owners		11,541	12,209	(3,034)	(118,586)	(97,870)
At 31 December 2012		1,079,692	385,162	18,715	95,007	1,578,576

COMPANY 2011

At 1 January 2011		1,006,696	300,004	45,463	82,466	1,434,629
Total comprehensive income for the financial year		–	–	–	234,484	234,484
Transaction with owners:						
Exercise of ESOS	11(b)	53,903	65,774	(22,306)	–	97,371
Cancellation of ESOS	12	–	–	(275)	214	(61)
Exercise of warrants	11(a)	7,552	7,175	(1,133)	–	13,594
Final dividends paid for the financial year ended 31 December 2010	10	–	–	–	(62,997)	(62,997)
First interim dividends for the financial year ended 31 December 2011	10	–	–	–	(31,904)	(31,904)
Second interim dividends for the financial year ended 31 December 2011	10	–	–	–	(32,031)	(32,031)
Special dividends for the financial year ended 31 December 2011	10	–	–	–	(53,385)	(53,385)
Total transaction with owners		61,455	72,949	(23,714)	(180,103)	(69,413)
At 31 December 2011		1,068,151	372,953	21,749	136,847	1,599,700

Statements of Cash Flows

for the financial year ended 31 December 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash flows generated from operations	38	399,471	352,350	105,109	35,609
Income tax paid (net of refund)		(51,581)	(61,160)	7,454	2,529
Net cash flow arising from operating activities:					
– Continuing operations		347,890	291,190	112,563	38,138
– Subsidiaries held for sale		–	(16,357)	–	–
Net cash flow from operating activities					
		347,890	274,833	112,563	38,138
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired:					
– Kurnia Outdoor Sdn Bhd and Jupiter Outdoor Network Sdn Bhd	37(A)(i)	(2,269)	(2,723)	(2,269)	(2,723)
Proceeds from disposal of subsidiaries held for sale	37(B)(i)(ii)	–	7,608	–	–
Property, plant and equipment					
– Additions		(96,899)	(91,929)	(42)	(63)
– Proceeds from disposals		1,448	673	–	–
Investment properties					
– Proceeds from disposals		2,924	416	–	–
Investment					
– Proceeds from disposals		3,378	–	–	–
Interest received		9,141	8,538	5,002	4,682
Dividends received		61	80	125,431	167,058
Net cash flow (used in)/from investing activities arising from:					
– Continuing operations		(82,216)	(77,337)	128,122	168,954
– Subsidiaries held for sale		–	(3)	–	–
Net cash flow (used in)/from investing activities					
		(82,216)	(77,340)	128,122	168,954



Statements of Cash Flows

for the financial year ended 31 December 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
– Term loans		(14,000)	(14,000)	(14,000)	(14,000)
– Hire-purchase and lease creditors		(5,403)	(7,383)	–	–
– Revolving credit		(73,000)	–	–	–
– Bankers’ acceptance		(83,412)	(83,492)	–	–
– Bank guaranteed medium term notes		(100,000)	(70,000)	(100,000)	(70,000)
Drawdown of:					
– Bankers acceptance		78,399	115,445	–	–
– Revolving credit		75,000	10,000	–	–
– Commercial papers medium term notes		300,000	–	300,000	–
Net proceeds from issuance of ordinary shares arising from:					
– Exercise of warrants		12,572	13,594	12,572	13,594
– Exercise of ESOS		8,239	97,310	8,239	97,310
Restricted bank balances		(10,466)	(12,612)	(12,824)	(13,660)
Interest paid		(25,404)	(29,476)	(22,522)	(26,674)
Dividends paid to shareholders of the Company		(204,097)	(94,901)	(204,097)	(94,901)
Dividends paid to non-controlling interests		(2,286)	(2,972)	–	–
Net cash flow (used in)/from financing activities arising from:					
– Continuing operations		(43,858)	(78,487)	(32,632)	(108,331)
– Subsidiaries held for sale		–	(31)	–	–
Net cash flow (used in)/from financing activities					
		(43,858)	(78,518)	(32,632)	(108,331)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR					
		221,816	118,975	208,053	98,761
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		424,917	305,942	228,655	129,894
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	36	646,733	424,917	436,708	228,655

Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

A BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirement of Companies Act 1965 in Malaysia.

The financial statements of the Group and the Company for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First-time adoption of MFRS'. Subject to certain transition elections and adjustments disclosed in Note 46, the Group and the Company have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2011 in these financial statements have been restated to give effect to these changes. A summary of the impact of the transition to MFRS on the Group and Company's financial statements are disclosed in Note 46.

Subsequent to the transition of the financial statements to MFRS on 1 January 2012, the comparative information has not been re-audited under MFRS. The comparative statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and its related notes to the financial statements have been previously audited under the previous financial reporting framework, Financial Reporting Standards in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments, if any) at fair value through profit or loss.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and Company's financial statements, are disclosed in Note AB.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 20 February 2013.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

A BASIS OF PREPARATION (CONTINUED)

- (a) Standards, amendments, improvements to published standards and interpretations that are effective

The amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2012 are as follows:

No	Malaysian Financial Reporting Standards/IC Interpretations	Effective dates
1	MFRS 139 "Financial instruments: recognition and measurement"	1 January 2012
2	Revised MFRS 124 "Related party disclosures"	1 January 2012
3	Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation"	1 January 2012
4	Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"	1 January 2012
5	Amendment to MFRS 112 "Income taxes"	1 January 2012
6	IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"	1 July 2011
7	Amendment to IC 14 "Prepayment of a Minimum Funding Requirement"	1 July 2011

The new accounting standards, amendments and improvements to published standards and interpretations have no material impact on the financial statements of the Group and Company.

- (b) Standards early adopted by the Group

The Group and Company has not early adopted any new accounting standards, amendments and improvements to published standards and interpretations.

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

- (i) Financial year beginning on/after 1 January 2013

No	Malaysian Financial Reporting Standards	Effective dates
1	MFRS 10 "Consolidated financial statements"	1 January 2013
2	MFRS 12 "Disclosures of interests in other entities"	1 January 2013
3	MFRS 13 "Fair value measurement"	1 January 2013
4	Amendment to MFRS 101 "Presentation of items of other comprehensive income"	1 July 2012
5	Amendment to MFRS 7 "Financial Instruments: Disclosures"	1 January 2013
6	The revised MFRS 127 "Separate financial statements"	1 January 2013
7	The revised MFRS 128 "Investments in associates and joint ventures"	1 January 2013

- (ii) Financial year beginning on/after 1 January 2014

No	Malaysian Financial Reporting Standards	Effective dates
1	Amendments to MFRS 132 "Financial Instruments: Presentation"	1 January 2014

A BASIS OF PREPARATION (CONTINUED)

- (c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the group but not yet effective (continued)

(iii) Financial year beginning on/after 1 January 2015

No	Malaysian Financial Reporting Standards	Effective dates
1	MFRS 9 "Financial instruments – classification and measurement of financial assets and financial liabilities"	1 January 2015

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

- (d) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant to the Group

No	Malaysian Financial Reporting Standards/IC Interpretations	Effective dates
1	Amendments to MFRS 119 "Employee benefits"	1 January 2013
2	MFRS 11 "Joint arrangements"	1 January 2013
3	IC Interpretation 20 "Stripping costs in the production phase of a surface mine"	1 January 2013

B BASIS OF CONSOLIDATION

- (a) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in profit or loss. Refer to accounting policy Note C on goodwill.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

B BASIS OF CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained earnings. No additional goodwill is recognised.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. This may indicate an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in profit or loss attributable to the parent.

(b) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

B BASIS OF CONSOLIDATION (CONTINUED)

(b) Associates (continued)

Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the profit or loss.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets previously acquired and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

(c) Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners to the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

(d) Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value is its fair value on initial recognition as a financial asset in accordance with FRS 139. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

C GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible Assets'.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose identified according to the operating segment. See accounting policy Note I on impairment of non-financial assets.

Goodwill in respect of acquisitions prior to 2006 were written off to reserves.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

D RESEARCH AND DEVELOPMENT

Research and development costs are charged to the profit or loss in the financial year in which they are incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent financial year. Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life not exceeding five years.

E INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

F PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Depreciation on the other property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Buildings	20 – 50 years
Plant and machinery	4 – 25 years
Broadcasting and transmission equipment	10 years
Production equipment	5 – 10 years
Office equipment, furniture and fittings	3 – 10 years
Office renovations	3 – 10 years
Motor vehicles	5 years
Leasehold improvements	3 – 15 years
Structures	5 – 10 years

F PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leasehold land is amortised over the remaining period of the respective leases ranging from 40 and 96 years.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each financial position date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

G INVESTMENT PROPERTIES

Investment properties comprise principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is not depreciated as it has an infinite life.

Depreciation on the other investment properties is calculated so as to write off the cost of the assets to their residual values on a straight line basis over the expected useful lives of 20 to 99 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the financial year of the retirement or disposal.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

H INTANGIBLE ASSETS

(a) Programmes and film rights

Programmes and film rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

The programmes and film rights are recognised after they are contracted for, after receipt of materials and after approvals are obtained from the censorship authority. Cost comprises contracted cost and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the cost of programmes and film rights which fairly represents its relevant attached rights, to match against recognised revenue from these programmes and film rights.

The amortisation rates are as follows:

	%
(i) Programs	
<u>Purchases with full rights/limited rights (2 runs or more)</u>	
<i>Features</i>	
Upon first transmission*	60
Upon second transmission*	40
<i>Series</i>	
Upon first transmission	100
<u>Purchases with limited rights (1 run) and in-house programmes</u>	
Upon first transmission*	100
(ii) Film rights	
<u>Production movies</u>	
Upon theatrical release	70
Upon second year from theatrical release	20
Upon third year from theatrical release	10
<u>Distribution movies</u>	
Upon theatrical release	70
Upon sales transaction	30

H INTANGIBLE ASSETS (CONTINUED)

(a) Programmes and film rights (continued)

*Where the material is in High Definition ("HD") format, the additional cost of acquisition or production associated with HD quality is not amortised until such time when such material can be transmitted or sold to broadcasters that transmits in HD quality.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

(b) Acquired concession rights and outdoor advertising rights

Acquired concession rights and outdoor advertising rights that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of concession rights and outdoor advertising rights over their respective concession lives. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired concession rights and outdoor advertising rights that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

(c) Acquired publishing rights and contracts

Acquired publishing rights and contracts that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of publishing rights and contracts over their respective tenure up to the expiry of such rights and/or contracts. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired publishing rights and contracts that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

I IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example, goodwill or intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

J NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

K TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Non-current trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses which are determinable based on accounting policy at Note AA(v) on impairment of financial assets.

Advanced billings are billings made to customers in advance of display rental, advertisement production works or events. Advanced billings collected are disclosed in the financial statements as deferred income. Advanced billings not collected are excluded from trade receivables until revenue is recognised.

L INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and applicable variable selling expenses.

Cost comprises direct labour, materials, sub-contract costs and related expenditure and is determined on a weighted average basis.

- (i) Consumable spares and raw materials for newspaper printing

Consumable spares comprise spare parts for broadcasting and transmission equipment and are expensed upon utilisation. Raw materials for newspaper printing are also expensed on usage.

- (ii) Albums

Albums comprise mainly costs of production and related production overheads and are expensed when sold.

M CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, bank balances, demand deposits and short term highly liquid investments with original maturities of three months or less and less bank overdrafts. Bank overdrafts are included within borrowings, classified as current liabilities.

N LEASES

(i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance lease is charged to the statement of comprehensive income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful lives of the assets, in accordance with the annual rates stated in Note F above. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

(iii) Prepaid lease rentals

Prepaid lease rentals for transmission stations are charged to the profit or loss on a straight line basis over the respective period of the leases, ranging between 31 and 36 years.

O CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit for the financial year except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction occurring, it affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

O CURRENT AND DEFERRED INCOME TAX (CONTINUED)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets (including tax benefit from reinvestment allowances) are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

P EMPLOYEE BENEFITS

(i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the net profit/(loss) for the financial year after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, sick leave, paid annual leave, bonuses and non-monetary employee benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits – defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

The Group's contributions to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF"), are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are due more than 12 months after the financial position date are discounted to present value.

P EMPLOYEE BENEFITS (CONTINUED)

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for its employees i.e. Employee Share Options Scheme ("ESOS").

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss as staff cost over the vesting period, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and the remaining employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance financial position, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

Recharges made by the Company in respect of options granted to subsidiaries are accounted for as amounts receivable from subsidiaries.

Q TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Non-current trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

R PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

S CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group and Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and Company. The Group and Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

T SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. However, in the case of interim dividends, it is recognised as liability upon approval by the Board of Directors of the Company.

U DEBT INSTRUMENTS

Debt instruments are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, debt instruments are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the debt instruments.

V WARRANTS RESERVE

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to the share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

W BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

W BORROWINGS (CONTINUED)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

X INCOME RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated returns, discounts, commissions, rebates and taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Dividend income is recognised when the right to receive payment is established.

Revenue of the Company from the provision of procurement services to subsidiaries is recognised on an accrual basis.

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon telecast or publishing of advertisements, net of discounts, returns, sales commissions and sales rebates, if any. Revenue from display rental income, advertisement production works and events are recognised in accordance with the terms of the sales contract which is principally over the period of the contract, on an accrual basis. Accordingly, all amounts received in advance are disclosed in the financial statements as deferred income.

Interest income of the Group and Company is recognised on an accrual basis based on the prevailing interest rates for deposits at financial institutions.

Rental income is recognised on an accrual basis.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

Y FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net profit for the financial year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each financial position date presented are translated at the closing rate at the date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Z SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management and the Board of Directors that makes strategic decisions.

AA FINANCIAL ASSETS

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. The assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

AA FINANCIAL ASSETS (CONTINUED)

(iii) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for interest, dividend income and impairment losses (see accounting policy Note AA(v)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in net profit for the financial year, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in net profit for the financial year. Dividends income on available-for-sale equity instruments are recognised in net profit for the financial year when the Group's right to receive a payment is established.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Subsequent measurement – impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

AA FINANCIAL ASSETS (CONTINUED)

(v) Subsequent measurement – impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the net profit for the financial year. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.



Summary of Significant Accounting Policies

for the financial year ended 31 December 2012

AA FINANCIAL ASSETS (CONTINUED)

(v) Subsequent measurement – impairment of financial assets (continued)

(b) Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in net profit for the financial year, the impairment loss is reversed through the profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that had been recognised directly in equity is removed from equity and recognised in net profit for the financial year. The amount of cumulative losses that is reclassified to net profit for the financial year is the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in net profit for the financial year. Impairment losses recognised in net profit for the financial year on equity instruments classified as available-for-sale are not reversed through profit or loss.

(vi) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to net profit for the financial year.

AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Assessment of impairment of non-financial assets (excluding goodwill)

The Group assesses impairment of the non-financial assets (excluding goodwill) whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount is more than the recoverable amount).

AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical accounting estimates and assumptions (continued)

(i) Assessment of impairment of non-financial assets (excluding goodwill) (continued)

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ('VIU'). The VIU is the net present value of the projected future cash flows derived from the cash generating units discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

(ii) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 43 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings.

(iii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgements regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(iv) Estimation of income taxes

Income taxes are estimated based on the rules governed under the Income Tax Act, 1967. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

(b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.



Notes to the Financial Statements

for the financial year ended 31 December 2012

1 GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associates are set out in Note 26 and Note 27 to the financial statements respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office and principal place of business of the Company is as follows:

Sri Pentas
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan

2 REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Advertising revenue	1,408,400	1,324,942	–	–
Circulation revenue	270,871	276,784	–	–
Sale of programmes, videos, cable and laser rights, and media revenue	13,682	14,767	–	–
Fees from provision of production services and sponsorship	4,390	5,317	–	–
Fees from provision of procurement services	–	–	4,540	7,167
Rental income from investment properties	502	323	–	–
Dividends from subsidiaries	–	–	159,574	324,870
	1,697,845	1,622,133	164,114	332,037

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the senior management and the Board of Directors (chief operating decision-maker) that are used to make strategic decisions.

The chief operating decision-maker considers the business primarily from a product perspective as the activities of the Group is predominantly domestic based.

The reportable operating segments derive their revenue primarily from commercial television and radio broadcasting, media advertising, sale of program rights, provision of outdoor advertising space and related production works and publishing and sale of newspapers.

Other services include on-line media and advertisement, talent management and music recording. The results of these operations are included in the 'corporate and others' column.

The chief operating decision-maker assesses the performance of the operating segments, before its respective tax charged or tax credits, based on a measure of Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as writeback or provision for impairment of assets, and when items are a result of isolated, non-recurring events. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments and excludes depreciation and amortisation of property, plant and equipment given that these are sunk cost in nature. Since the chief operating decision-maker reviews EBITDA, the share of associates' profits and the results of discontinued operations are not included in the measure of EBITDA.

The chief operating decision-maker assesses the assets and liabilities of the operations on a Group basis whereby the TV network, Radio Network, Outdoor Media and Print Media makes up individual segments. Within each segment, the nature of products and services offered are similar i.e. either in television or radio broadcasting for the free-to-air (FTA), market outdoor print or media print works. Within each segment, a significant portion of the assets and operations are based on shared resources basis i.e. centralised Group treasury, procurement, corporate finance, engineering, information system and other support services. Consequently, no segmental analysis is done.



Notes to the Financial Statements

for the financial year ended 31 December 2012

3 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

2012	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	#Corporate and Others RM'000	Elimination RM'000	Continuing operations RM'000	Subsidiaries held for sale RM'000	Total RM'000
Revenue from external customers	712,172	62,902	152,096	724,078	46,597	–	1,697,845	–	1,697,845
Royalties	(3,532)	(315)	–	–	–	–	(3,847)	–	(3,847)
Dividends from subsidiaries	708,640	62,587	152,096	724,078	46,597	–	1,693,998	–	1,693,998
Inter-segment revenue	40,049	–	–	–	159,574	(199,623)	–	–	–
	5,313	–	4,632	1,514	19,049	(30,508)	–	–	–
	754,002	62,587	156,728	725,592	225,220	(230,131)	1,693,998	–	1,693,998
EBITDA	238,573	28,238	50,906	119,948	132,612	(165,434)	404,843	–	404,843
Depreciation and amortisation	(41,641)	(1,726)	(7,986)	(44,597)	(2,613)	(3,810)	(102,373)	–	(102,373)
Interest expense	(852)	–	–	(2,504)	(24,095)	–	(27,451)	–	(27,451)
Income tax expense	(40,181)	(3,328)	(11,014)	(20,987)	(31,555)	35,098	(71,967)	–	(71,967)
Share of profit from associates	–	–	–	7,926	–	–	7,926	–	7,926
Gains from subsidiaries held for sale	–	–	–	–	–	–	–	334	334
Reportable segment profit after tax before allocation to non-controlling interest	155,899	23,184	31,906	59,786	74,349	(134,146)	210,978	334	211,312

These items are predominantly (more than 90%) relating to the Company for which, the financial information is disclosed separately on the face of the financial statements as well as the Notes to the financial statements.

3 SEGMENT INFORMATION (CONTINUED)

2011 (Restated)	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	#Corporate and Others RM'000	Elimination RM'000	Continuing operations RM'000	Subsidiaries held for sale RM'000	Total RM'000
Revenue from									
external customers	690,302	58,773	143,775	699,541	29,742	–	1,622,133	–	1,622,133
Royalties	(3,466)	(287)	–	–	–	–	(3,753)	–	(3,753)
	686,836	58,486	143,775	699,541	29,742	–	1,618,380	–	1,618,380
Dividends from									
subsidiaries	–	–	–	–	324,870	(324,870)	–	–	–
Inter-segment revenue	6,050	–	4,054	1,995	17,453	(29,552)	–	–	–
	692,886	58,486	147,829	701,536	372,065	(354,422)	1,618,380	–	1,618,380
EBITDA	242,856	30,301	49,761	115,051	302,837	(334,494)	406,312	–	406,312
Depreciation and									
amortisation	(39,609)	(1,814)	(9,052)	(40,441)	(2,236)	(4,272)	(97,424)	–	(97,424)
Interest expense	(1,367)	–	–	(1,376)	(29,342)	–	(32,085)	–	(32,085)
Provision for									
impairment									
of assets	(2,168)	–	–	–	–	–	(2,168)	–	(2,168)
Income tax expense	(53,825)	(5,125)	(9,964)	(15,427)	(45,291)	58,216	(71,416)	–	(71,416)
Share of profit from									
associates	–	–	–	3,107	–	–	3,107	–	3,107
Gains from subsidiaries									
held for sale	–	–	–	–	–	–	–	2,252	2,252
Reportable segment									
profit after tax before									
allocation to									
non-controlling									
interest	145,887	23,362	30,745	60,914	225,968	(280,550)	206,326	2,252	208,578

These items are predominantly (more than 90%) relating to the Company for which, the financial information is disclosed separately on the face of the financial statements as well as the Notes to the financial statements.

The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the profit or loss.



Notes to the Financial Statements

for the financial year ended 31 December 2012

4 FINANCE INCOME AND COST

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finance income:				
– Interest income	(9,141)	(8,538)	(5,002)	(4,682)
	(9,141)	(8,538)	(5,002)	(4,682)
Finance cost:				
Interest expenses on				
– Bankers acceptance	–	862	–	–
– Revolving credit	2,504	514	–	–
– Bank Guaranteed Medium Term Notes	3,635	7,316	3,635	7,316
– Commercial Paper Medium Term Notes	144	–	144	–
– Redeemable Fixed Rate Bonds	9,140	9,096	9,140	9,096
– Term loans and bridging loan	10,133	10,664	10,133	10,664
– Hire purchase	860	1,367	–	–
Bank guarantee fee	1,035	2,266	1,035	2,266
	27,451	32,085	24,087	29,342
Net finance cost	18,310	23,547	19,085	24,660

5 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages, salaries and bonus	363,116	346,588	22,089	16,828
Defined contribution retirement plan	49,385	48,605	2,958	2,374
Termination benefits	511	87	–	–
Other employee benefits	42,678	30,459	5,077	3,287
	455,690	425,739	30,124	22,489

6 PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations is stated after charging/(crediting):

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Royalties	3,847	3,753	–	–
Auditors' remuneration:				
– statutory audit	1,400	1,390	65	65
– audit related services	–	10	–	–
– other services	234	182	234	182
– tax services	357	334	18	22
(Gain)/Loss on disposal of property, plant and equipment	(742)	1,786	–	–
Gain on disposal of investment properties	(1,500)	(61)	–	–
Rental income from equipment	(2,227)	(2,204)	–	–
Rental income from premises	(482)	(470)	–	–
Gross dividends from:				
– Quoted shares in Malaysia	(27)	(34)	–	–
– Property and unit trusts	(34)	(46)	–	–
Net exchange (gain)/loss:				
– Realised	(1,292)	(392)	(85)	69
– Unrealised	(43)	48	–	–
Write back of long outstanding accruals	(3,049)	(14,593)	–	–

7 DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-executive Directors:				
– Fees	885	885	435	435
– Allowances	548	530	287	273
– Defined contribution retirement plan	74	64	37	32
– Other remuneration	247	472	247	379
Executive Directors:				
– Basic salaries and bonus	3,271	3,376	2,193	1,984
– Allowances	388	399	218	194
– Defined contribution retirement plan	634	635	418	369
	6,047	6,361	3,835	3,666
Estimated monetary value of benefits-in-kind	71	239	17	96

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:



Notes to the Financial Statements

for the financial year ended 31 December 2012

7 DIRECTORS' REMUNERATION (CONTINUED)

		Number of options over ordinary shares of RM1.00 each				
Grant date	Expiry date	Exercise price RM/share	At 1 January '000	Granted '000	Exercised '000	At 31 December '000
Financial year ended 31 December 2012						
31 May 2010	13 May 2015	1.80	790	–	(160)	630
Financial year ended 31 December 2011						
31 May 2010	13 May 2015	1.80	1,550	–	(760)	790
					Group and Company	
					2012	2011
					'000	'000
Number of share options vested at statement of financial position date					630	790

8 TAXATION

	Group		Company	
	2012 RM'000	2011 Restated RM'000	2012 RM'000	2011 RM'000
Current tax:				
– Malaysian tax	47,324	51,176	31,555	45,288
Deferred tax (Note 23)	24,643	20,240	–	–
	71,967	71,416	31,555	45,288
Current tax:				
– Current financial year	52,152	61,370	29,680	47,694
– Over accrual in prior financial years	(4,828)	(10,194)	1,875	(2,406)
	47,324	51,176	31,555	45,288
Deferred tax:				
– Origination and reversal of temporary differences (Note 23)	24,643	20,240	–	–
	71,967	71,416	31,555	45,288

Income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the financial year.

8 TAXATION (CONTINUED)

The explanation of the relationship between taxation and profit before taxation is as follows:

	Group		Company	
	2012	2011	2012	2011
	RM'000	Restated RM'000	RM'000	RM'000
Profit before taxation	282,945	277,742	108,301	279,772
Tax calculated at the Malaysian corporate income tax rate of 25% (2011: 25%)	70,736	69,435	27,075	69,943
Tax effects of:				
– expenses not deductible for tax purpose	7,208	12,002	2,347	4,379
– income not subject to tax	(499)	(2,161)	(6,500)	(30,031)
– temporary differences and unutilised tax losses not recognised	3,025	6,970	1,763	3,403
– over-recognition of previous year deferred tax liabilities	(1,350)	(3,527)	–	–
– share of results of an associate	(1,982)	(778)	–	–
– expenses eligible for double reduction	(343)	(331)	–	–
– over accruals in prior financial years	(4,828)	(10,194)	1,875	(2,406)
– utilisation of Group tax relief	–	–	4,995	–
Taxation	71,967	71,416	31,555	45,288

Included in income tax expense of the Group are tax savings amounting to RM6,585,157 (2011: RM1,862,738) from utilisation of current tax losses.

There is no tax charge/credit relating to components of 'other comprehensive income'.



Notes to the Financial Statements

for the financial year ended 31 December 2012

9 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit for the financial year from continuing operations, net losses from subsidiary held for sale and net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

		Group	
		2012	2011 Restated
Net profit from continuing operations attributable to owners of the Parent	(RM'000)	208,978	204,333
Net gain from subsidiaries held for sale attributable to owners of the Parent	(RM'000)	334	2,252
Net profit for the financial year attributable to owners of the Parent	(RM'000)	209,312	206,585
Weighted average number of ordinary shares in issue	('000)	1,076,324	1,049,540
Basic earnings per share for:			
Net profit from continuing operations attributable to owners of the Parent	(Sen)	19.42	19.47
Net gain from subsidiaries held for sale attributable to owners of the Parent	(Sen)	0.03	0.21
Net profit for the financial year attributable to owners of the Parent	(Sen)	19.45	19.68

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

In respect of share options granted to employees or warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the annual average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options or warrants. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options or warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options and warrants calculation.

9 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

		Group	
		2012	2011 Restated
Weighted average number of ordinary shares in issue	('000)	1,076,324	1,049,540
Adjustments for:			
Warrants	('000)	59,601	62,403
ESOS	('000)	4,182	10,165
Weighted average number of ordinary shares for purposes of computing diluted earnings per share	('000)	1,140,107	1,122,108
Diluted earnings per share for:			
Net profit from continuing operations attributable to owners of the Parent	(Sen)	18.33	18.21
Net gain from subsidiaries held for sale attributable to owners of the Parent	(Sen)	0.03	0.20
Net profit for the financial year attributable to owners of the Parent	(Sen)	18.36	18.41

The comparative basic and diluted earnings per share have been restated following the restatement of the net profit for the previous financial year, as disclosed in Note 46 to the financial statements.

10 DIVIDENDS

Group and Company				
	2012		2011	
	Gross dividend per share Sen	Amount of net dividend RM'000	Gross dividend per share Sen	Amount of net dividend RM'000
Final single tier dividend for the previous financial year	5.0	53,922*	6.0	62,997
First interim single tier dividend	3.0	32,370*	3.0	31,904
Second interim single tier dividend	3.0	32,389*	3.0	32,031
Special single tier dividend	—	—	5.0	53,385
	11.0	118,681	17.0	180,317

* Paid during the financial year

At the forthcoming Annual General Meeting of the Company, a final single tier dividend of 7.0 sen per ordinary share in respect of the financial year ended 31 December 2012 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2013 when approved by the shareholders.



Notes to the Financial Statements

for the financial year ended 31 December 2012

11 SHARE CAPITAL

		Group and Company	
	Note	2012 RM'000	2011 RM'000
Ordinary shares of RM1.00 each:			
Authorised			
At 1 January/At 31 December		2,000,000	2,000,000
Issued and fully paid			
At 1 January		1,068,151	1,006,696
Issuance of shares arising from:			
– Exercise of warrants	(a)	6,984	7,552
– Exercise of ESOS	(b)	4,557	53,903
At 31 December		1,079,692	1,068,151

During the financial year, the Company increased its issued and fully paid share capital from RM1,068,151,131 to RM1,079,691,548 by way of the issuance of:

- (a) 6,984,498 (2011: 7,552,490) ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM6,635,273 (2011: RM7,174,866) has been credited to the Share Premium reserve.
- (b) 4,555,919 (2011: 53,902,718) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.80, RM1.98 and RM2.10 (2011: RM1.80, RM1.98 and RM2.10) per option. The premium arising from the exercise of ESOS of RM5,574,249 (2011: RM65,774,033) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

12 SHARE-BASED PAYMENTS

Employees' Share Option Scheme ("ESOS")

On 15 April 2010, the Company's shareholders has approved an ESOS which became effective on 14 May 2010 for a period of five (5) years, set to expire in 13 May 2015 ("2010 MPB ESOS").

The main features of the 2010 MPB ESOS are:

- (i) The total number of ordinary shares to be issued by the Company under the ESOS as approved by the Securities Commission shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (ii) The options granted may be exercised at any time within the option period whilst the Grantee is employed by a corporation in the Group.

12 SHARE-BASED PAYMENTS (CONTINUED)

- (iii) The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days immediately preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is higher.
- (iv) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (v) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Set out below are details of options over ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/ share	Number of options over ordinary shares of RM1.00 each				Fair value of options RM'000
			At 1 January '000	Exercised '000	Cancelled/ Lapsed '000	At 31 December '000	
Financial year ended 31 December 2012							
16 December 2010	13 May 2015	2.10	262	(40)	–	222	142
18 November 2010	13 May 2015	1.98	707	(145)	(6)	556	284
31 May 2010	13 May 2015	1.80	18,526	(4,371)	(225)	13,930	5,711
			19,495	(4,556)	(231)	14,708	6,137
Financial year ended 31 December 2011							
16 December 2010	13 May 2015	2.10	480	(204)	(14)	262	168
18 November 2010	13 May 2015	1.98	2,307	(1,585)	(15)	707	361
31 May 2010	13 May 2015	1.80	71,270	(52,114)	(630)	18,526	7,595
			74,057	(53,903)	(659)	19,495	8,124
						2012 '000	2011 '000
Number of options over ordinary shares vested, as at the end of the financial year						14,708	19,495



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12 SHARE-BASED PAYMENTS (CONTINUED)

The fair value of the ESOS granted in which MFRS 2 were applied, were determined using the Trinomial Valuation model. The significant inputs in the model were as follows:

	2010 MPB Options 31 May 2010	2010 MPB Options 18 November 2010	2010 MPB Options 16 December 2010
Fair value per option (RM)	0.41	0.51	0.64
Exercise price	1.80	1.98	2.10
Option life (number of days to expiry from date of issuance)	1,808 days	1,637 days	1,609 days
Weighted average share price at grant date	2.07	2.33	2.60
Expected dividend yield	5.77%	5.77%	5.77%
Risk free interest rates (Yield of Malaysian Government Securities)	3.11%	3.11%	3.04%
Expected volatility	24.54%	22.35%	22.14%
MPB share historical volatility period:			
From	60 days to 9 July 2010	May 2010	May 2010
To		December 2010	December 2010

13 SHARE PREMIUM

	Note	Group and Company 2012 RM'000	2011 RM'000
At 1 January		372,953	300,004
Arising from:			
– Exercise of warrants	11(a)	6,635	7,175
– Exercise of ESOS	11(b)	5,574	65,774
At 31 December		385,162	372,953

14 OTHER RESERVES

Group	Revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Merger reserve RM'000	Warrants reserve RM'000	Share option reserve RM'000	Available- for-sale reserve RM'000	Total RM'000
2012							
At 1 January 2012	52,276	8,471	–	13,625	8,124	648	83,144
Cancellation of ESOS	–	–	–	–	(95)	–	(95)
Exercise of ESOS	–	–	–	–	(1,892)	–	(1,892)
Available-for-sale financial asset	–	–	–	–	–	1,174	1,174
Exercise of warrants	–	–	–	(1,047)	–	–	(1,047)
Reclassification adjustment for gain included in Profit or Loss	–	(8,471)	–	–	–	(69)	(8,540)
At 31 December 2012	52,276	–	–	12,578	6,137	1,753	72,744
Group (Restated)							
2011							
At 1 January 2011, as previously stated	100,334	8,011	26,337	14,758	30,705	368	180,513
– Impact of adoption of MFRS1							
exemption options	(46,767)	–	–	–	–	–	(46,767)
– Reclassification	–	(3)	(26,337)	–	–	–	(26,340)
At 1 January 2011, as restated	53,567	8,008	–	14,758	30,705	368	107,406
Cancellation of ESOS	–	–	–	–	(275)	–	(275)
Exercise of ESOS	–	–	–	–	(22,306)	–	(22,306)
Available-for-sale financial asset	–	–	–	–	–	280	280
Currency translation differences	–	(628)	–	–	–	–	(628)
Exercise of warrants	–	–	–	(1,133)	–	–	(1,133)
Reclassification adjustment for gain included in Profit or Loss	(1,291)	1,091	–	–	–	–	(200)
At 31 December 2011	52,276	8,471	–	13,625	8,124	648	83,144



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14 OTHER RESERVES (CONTINUED)

Company	Warrants reserve RM'000	Share option reserve RM'000	Total RM'000
2012			
At 1 January 2012	13,625	8,124	21,749
Cancellation of ESOS	–	(95)	(95)
Exercise of ESOS	–	(1,892)	(1,892)
Exercise of warrants	(1,047)	–	(1,047)
At 31 December 2012	12,578	6,137	18,715
2011			
At 1 January 2011	14,758	30,705	45,463
Cancellation of ESOS	–	(275)	(275)
Exercise of ESOS	–	(22,306)	(22,306)
Exercise of warrants	(1,133)	–	(1,133)
At 31 December 2011	13,625	8,124	21,749

15 RETAINED EARNINGS/(ACCUMULATED LOSSES)

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2012 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

The Company has no tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of its retained earnings as at 31 December 2012. Consequently, the Company can only pay single tier dividends out of its retained earnings as at 31 December 2012.

16 DEBT INSTRUMENTS

	Group and Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Bank Guaranteed Medium Term Notes/Commercial Papers ("BGMTN") (Note (i))	–	100,253	169,257
Commercial Paper Medium Term Notes ("CPMTN") (Note (ii))	300,144	–	–
Redeemable Fixed Rate Bonds (Note (iii))	148,353	146,679	145,008
	448,497	246,932	314,265

16 DEBT INSTRUMENTS (CONTINUED)

(i) Bank Guaranteed Medium Term Notes/Commercial Papers ("BGMTN")

	Group and Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Current:			
4-year 4.15% BGMTN (unsecured)	–	–	70,031
5-year 4.27% BGMTN (unsecured)	–	100,253	–
	–	100,253	70,031
Non-current:			
5-year 4.27% BGMTN (unsecured)	–	–	99,226
Total	–	100,253	169,257

The 5-year 4.27% BGMTN of RM100 million was redeemed during the financial year.

(ii) Commercial Papers Medium Term Notes ("CPMTN")

	Group and Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Non-current:			
5-year 4.38% CPMTN (unsecured)	300,144	–	–

During the financial year, the Company undertook a 7-year Commercial Paper Medium Term Notes ("CPMTN") programme of up to RM500.0 million in nominal value.

The CPMTN Programme was constituted by a Trust Deed and a Programme Agreement, both dated 13 December 2012. As at 31 December 2012, the Group has issued MTNs in the nominal value of RM300.0 million.

The principal terms of the CPMTN are as follows:

- Issuance of CP and/or MTN of up to an aggregate limit of RM500.0 million in nominal value. The tenure of the CP/MTN Programme shall be up to seven (7) years from the date of the first issue;
- The CP will be issued on a zero coupon basis. In respect of coupon bearing MTN, the coupon rate is to be determined prior to the issue date of each issue;
- The CPMTN Programme shall have an availability period of up to seven (7) years from the date of first issuance of CP or MTN under the CPMTN Programme;
- The proceeds of the CPMTN Programme shall be utilised for investments, capital expenditure, working capital requirements and/or general corporate purposes of the Group. The capital expenditure of the Group will include, among others, investment in new media platforms and investment in connection with digital television broadcasting; and
- The interest on the MTN of RM300.0 million is 4.38% per annum, payable semi-annually in arrears, calculated on the basis of the actual number of days of 365 days with the last payment of interest to be made on the maturity date of the MTN. The tenure of the MTN of RM300.0 million is 5 years from the date of issue of 28 December 2012.



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16 DEBT INSTRUMENTS (CONTINUED)

(iii) Redeemable Fixed Rate Bonds ("RFRB")

	Group and Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Non-current:			
5-year 4.95% RFRB	148,353	146,679	145,008

On 23 March 2010, the Company issued RM150,000,000 nominal 5-year, 4.95% coupon rate, 6.5% yield to maturity, RFRB with RM50,000,000 detachable warrants (Note 17). The RFRB is constituted by a Subscription Agreement dated 23 February 2010.

The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent bond with no warrants attached. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves representing fair value of the warrants (Note 17).

The principal terms of the RFRB are as follows:

- The coupon on the RFRB will accrue at 4.95% per annum based on the face value and shall be payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year;
- The tenure of the RFRB is five (5) years from the date of issue; and
- The bonds shall be redeemed at nominal value on the 5th anniversary of issuance date in cash which will be settled through the Real Time Electronic Transfer of Funds and Securities (RENTAS) system of Bank Negara Malaysia.

17 WARRANTS

Pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad ("NSTP") in 2009, warrants of the Company were offered for free as part of the purchase consideration to acquire the remaining NSTP ordinary shares not owned by the Company ("Consideration Warrant"). The Company had also issued Bonus Warrants to existing shareholders of the Company ("Bonus Warrant"). The Consideration and Bonus Warrants were constituted by a Deed Poll dated 17 December 2009.

The principal terms of the Consideration and Bonus Warrants (collectively known as "warrants") are as follows:

- The exercise price of the warrants is fixed at RM1.80 per warrant;
- The warrants may be exercised at any time on or before the maturity date, 31 December 2014, falling five (5) years from the date of issue of the first (1st) tranche of warrants which was on 31 December 2009. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;
- The warrants will rank pari passu without any preference or priority among themselves including in an event of liquidation; and
- The warrants are listed on Bursa Malaysia.

In 2010, the Company issued 50,000,000 warrants to investors as part of the issuance of RFRB (Note 16(iii)). The principal terms of the newly issued warrants are as disclosed above.

As at 31 December 2012, the Company had issued 48,240,412 warrants (2011: 48,240,412 warrants, 1.1.2011: 48,420,412).

18 INTEREST BEARING BANK BORROWINGS

	Note	Group			Company		
		2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Current:							
Unsecured							
Term loans	(a)	187,000	14,000	14,000	187,000	14,000	14,000
Revolving credit		12,000	10,000	–	–	–	–
Banker's acceptance		26,940	31,953	–	–	–	–
		225,940	55,953	14,000	187,000	14,000	14,000
Non-current:							
Unsecured							
Term loans	(a)	–	187,000	201,000	–	187,000	201,000
Total		225,940	242,953	215,000	187,000	201,000	215,000

Available credit facilities of the Group as at 31 December 2012 amounts to RM516.56 million (2011: RM300.7 million, 1.1.2011: RM521.4 million). The above borrowings are denominated in Ringgit Malaysia.

The weighted average effective interest rates applicable to the Group and the Company are as follows:

	Group			Company		
	2012 %	2011 %	1.1.2011 %	2012 %	2011 %	1.1.2011 %
For the financial year						
Term loans	5.10	5.10	5.10	5.10	5.10	5.10
Revolving credit	3.83	3.85	–	–	–	–
Bankers' acceptance	3.39	3.42	–	–	–	–
As at the financial year end						
Term loans	5.10	5.10	5.10	5.10	5.10	5.10
Revolving credit	3.83	3.85	–	–	–	–
Bankers' acceptance	3.39	3.42	–	–	–	–



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18 INTEREST BEARING BANK BORROWINGS (CONTINUED)

(a) Term loans

The term loans are repayable as follows:

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Unsecured						
Current:						
Repayable within 12 months	187,000	14,000	14,000	187,000	14,000	14,000
Non-current:						
Repayable after 12 months						
– between 1 and 2 years	–	187,000	14,000	–	187,000	14,000
– between 2 and 5 years	–	–	187,000	–	–	187,000
	187,000	201,000	215,000	187,000	201,000	215,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

Group	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available- for-sale RM'000	Total RM'000
31 December 2012				
Financial Assets				
Trade and other receivables excluding prepayments	380,144	–	–	380,144
Deposit, cash and bank balances	682,378	–	–	682,378
Financial assets designated at fair value	–	90	–	90
Available-for-sale financial asset	–	–	2,525	2,525
Total	1,062,522	90	2,525	1,065,137

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Group	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2012		
Financial Liabilities		
Trade and other payables excluding statutory liabilities	265,590	265,590
Interest bearing bank borrowings:		
– Term loans	187,000	187,000
– Bankers' acceptance	26,940	26,940
– Revolving credit	12,000	12,000
Redeemable fixed rate bonds	148,353	148,353
Commercial paper medium term notes	300,144	300,144
Amounts due to associates	3,613	3,613
Total	943,640	943,640

	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available-for-sale RM'000	Total RM'000
31 December 2011				
Financial Assets				
Trade and other receivables excluding prepayments	337,784	–	–	337,784
Deposit, cash and bank balances	450,096	–	–	450,096
Financial assets designated at fair value	–	3,318	–	3,318
Available-for-sale financial asset	–	–	1,400	1,400
Total	787,880	3,318	1,400	792,598



Notes to the Financial Statements

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19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Group	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2011		
Financial Liabilities		
Trade and other payables excluding statutory liabilities	357,234	357,234
Interest bearing bank borrowings:		
– Term loans	201,000	201,000
– Bankers' acceptance	31,953	31,953
– Revolving credit	10,000	10,000
Redeemable fixed rate bonds	146,679	146,679
Bank guaranteed medium term notes	100,253	100,253
Amounts due to associates	2,005	2,005
Total	849,124	849,124

	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available- for-sale RM'000	Total RM'000
1 January 2011				
Financial Assets				
Trade and other receivables excluding prepayments	322,848	–	–	322,848
Deposit, cash and bank balances	317,931	–	–	317,931
Financial assets designated at fair value	–	3,253	–	3,253
Available-for-sale financial asset	–	–	1,120	1,120
Financial assets of subsidiaries held for sale	8,101	–	–	8,101
Total	648,880	3,253	1,120	653,253

19 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Group	Other financial liabilities at amortised cost RM'000	Total RM'000
1 January 2011		
Financial Liabilities		
Trade and other payables excluding statutory liabilities	286,044	286,044
Interest bearing bank borrowings:		
– Term loans	215,000	215,000
Redeemable fixed rate bonds	145,008	145,008
Bank guaranteed medium term notes	169,257	169,257
Amounts due to associates	11,437	11,437
Financial liabilities of subsidiaries held for sale	23,239	23,239
Total	849,985	849,985

	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Company			
Financial Assets classified as Loans and Receivables			
Trade and other receivables excluding prepayments	2,503	264	254
Deposit, cash and bank balances	468,443	247,566	135,145
Amounts due from subsidiaries	52,819	164,921	92,253
Total	523,765	412,751	227,652
Financial Liabilities classified as Other Financial Liabilities at amortised cost			
Trade and other payables excluding statutory liabilities	14,546	96,923	12,450
Interest-bearing bank borrowings:			
– Term loans	187,000	201,000	215,000
Redeemable fixed rate bonds	148,353	146,679	145,008
Bank Guaranteed Medium Term Notes	–	100,253	169,257
Commercial Paper Medium Term Notes	300,144	–	–
Amounts due to subsidiaries	13,857	29,020	6,088
Total	663,900	573,935	547,803



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20 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Group	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Trade receivables			
Counterparties with external credit rating (RAM)			
A	–	–	8
AA	–	–	90
	–	–	98
Counterparties without external credit rating			
Group 1	7,596	6,103	3,034
Group 2	355,808	318,803	289,955
	363,404	324,906	292,989
Total unimpaired trade receivables	363,404	324,906	293,087

- Group 1 – new customers (less than 6 months).
- Group 2 – existing customers (more than 6 months) with no defaults in the past.

None of the financial assets that are fully performing has been renegotiated in the last year.

	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Cash at bank and short-term bank deposits			
AAA/P1	511,237	263,212	157,396
AA3/P1	38,894	32,955	32,050
AA2/P1	2,020	15,152	1,051
AA/P1	–	2,400	1,109
A2/P1	10,402	846	2,392
A1/P1	119,503	135,175	122,788
A	–	17	–
Unrated (petty cash)	322	339	1,145
	682,378	450,096	317,931

20 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

Company

	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Cash at bank and short-term bank deposits			
AAA/P1	383,175	143,469	44,071
AA3/P1	6,450	6,273	6,100
AA2/P1	–	13,152	–
A2/P1	10,010	–	–
A1/P1	68,808	84,672	84,974
	468,443	247,566	135,145

21 HIRE-PURCHASE AND LEASE CREDITORS

This represents future instalments under hire-purchase and lease agreements, repayable as follows:

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Finance lease liabilities:			
Minimum lease payments:			
– not later than 1 year	4,944	6,264	8,749
– later than 1 year and not later than 5 years	4,042	8,978	15,242
	8,986	15,242	23,991
Future finance charges on finance leases	(677)	(1,530)	(2,896)
Present value of finance lease liabilities	8,309	13,712	21,095
Present value of finance lease liabilities:			
– not later than 1 year	4,495	5,403	7,382
– later than 1 year and not later than 5 years	3,814	8,309	13,713
	8,309	13,712	21,095
Analysed as:			
Due within 1 year (Note 22)	4,495	5,403	7,382
Due after 1 year	3,814	8,309	13,713
	8,309	13,712	21,095



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for the financial year ended 31 December 2012

21 HIRE-PURCHASE AND LEASE CREDITORS (CONTINUED)

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default. The finance lease liabilities contain covenants which require a subsidiary to maintain minimum debt service ratio.

As at 31 December 2012, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 3.98% (2011: 3.98%) per annum and interest for the financial year is fixed at 3.70% (2011: 3.70%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

22 TRADE AND OTHER PAYABLES

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Non-current:						
Trade payables	279	409	409	–	–	–
Current:						
Trade payables	59,800	53,782	60,000	–	–	–
Programme rights payables	8,661	11,764	14,737	1,694	2,555	3,652
	68,461	65,546	74,737	1,694	2,555	3,652
Trade and other accruals	218,270	210,615	176,175	13,466	9,507	7,440
Other payables	46,395	41,938	42,903	1,069	1,178	2,328
Hire-purchase and lease creditors (Note 21)	4,495	5,403	7,382	–	–	–
Deferred income	5,151	5,087	6,145	–	–	–
Charity or donor funds	1,784	3,396	2,827	–	–	–
Dividends payable	149	88,582	806	–	85,416	–
	344,705	420,567	310,975	16,229	98,656	13,420
	344,984	420,976	311,384	16,229	98,656	13,420

22 TRADE AND OTHER PAYABLES (CONTINUED)

The currency profile of trade payables and programme rights payables is as follows:

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Ringgit Malaysia	59,244	60,602	72,872	360	420	2,590
US Dollar	9,027	4,071	1,713	1,334	2,135	1,062
Others	190	873	152	–	–	–
	68,461	65,546	74,737	1,694	2,555	3,652

Credit terms of trade payables range from no credit to 90 days (2011: 90 days, 1.1.2011: 90 days).

Advanced billings represent rental charges in advance based on the relevant rental contract and advance payments received from customers on contract that have yet to be completed.

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		
	2012 RM'000	2011 Restated RM'000	1.1.2011 Restated RM'000
Deferred tax assets			
– To be recovered after more than 12 months	95,313	109,985	139,555
– To be recovered within 12 months	2,640	12,988	4,484
	97,953	122,973	144,039
Deferred tax liabilities			
– To be recovered after more than 12 months	(62,834)	(62,026)	(58,245)
– To be recovered within 12 months	(7,463)	(8,648)	(13,255)
	(70,297)	(70,674)	(71,500)



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23 DEFERRED TAXATION (CONTINUED)

The movement during the financial year relating to deferred tax is as follows:

	Group	
	2012	2011
	RM'000	Restated RM'000
At 1 January	52,299	72,539
(Charged)/credited to profit or loss (Note 8)		
– Property, plant and equipment	(11,277)	(16,026)
– Intangible assets		
– Programme, film rights and royalties	(4,977)	798
– Acquired concession rights	942	1,048
– Allowances and provisions	849	5,017
– Hire purchase creditors	(1,904)	(1,293)
– Unused tax losses	(2,189)	(6,163)
– Unutilised capital allowances	311	(3,503)
– Advance billings	56	(118)
– Reinvestment allowance	(6,454)	–
	(24,643)	(20,240)
At 31 December	27,656	52,299

23 DEFERRED TAXATION (CONTINUED)

	Group		
	2012	2011	1.1.2011
	RM'000	Restated RM'000	Restated RM'000
Deferred tax assets (before offsetting)			
– Intangible assets	–	4,977	4,179
– Allowances and provisions	9,547	8,698	3,681
– Hire purchase creditors	2,077	3,981	5,274
– Unused tax losses	39,655	41,844	48,007
– Deferred revenue	2,613	2,557	2,675
– Unutilised capital allowances	17,630	17,319	20,822
– Reinvestment allowances	94,278	100,732	100,732
– Others	8	8	8
Offsetting	165,808 (67,855)	180,116 (57,143)	185,378 (41,339)
Deferred tax assets (after offsetting)	97,953	122,973	144,039
Deferred tax liabilities (before offsetting)			
– Intangible assets	(49,895)	(50,837)	(51,885)
– Property, plant and equipment	(88,257)	(76,980)	(60,954)
Offsetting	(138,152) 67,855	(127,817) 57,143	(112,839) 41,339
Deferred tax liabilities (after offsetting)	(70,297)	(70,674)	(71,500)

The amount of allowances, deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position is as follows:

	Group			Company		
	2012	2011	1.1.2011	2012	2011	1.1.2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unused tax losses	190,440	179,238	155,733	29,700	22,694	9,138
Deductible temporary differences	41,301	40,404	36,029	184	139	83
	231,741	219,642	191,762	29,884	22,833	9,221
Deferred tax assets not recognised at 25%	57,935	54,910	47,940	7,471	5,708	2,305

The deductible temporary differences and unused tax losses are available indefinitely for offset against future taxable profits of the Group and Company, subject to agreement with the Inland Revenue Board. These tax benefits will only be obtained if the Group and Company derive future assessable income of a nature and amount sufficient for the tax benefits to be utilised. Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences of certain entities within the Group as these entities have a history of losses or are dormant.



Notes to the Financial Statements

for the financial year ended 31 December 2012

24 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM'000	Freehold land at cost RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broad- casting and transmission equipment at cost RM'000
2012					
Cost					
At 1.1.2012	17,456	95,278	309,623	686,651	603,258
Additions	–	–	–	9,929	48,159
Disposals	–	–	–	(285)	(356)
Write off	–	–	–	–	(2,929)
Reclassification	–	–	–	3,426	1,255
At 31.12.2012	17,456	95,278	309,623	699,721	649,387
Accumulated depreciation					
At 1.1.2012	3,032	–	104,617	422,447	430,542
Charge for the financial year	457	648	6,771	21,798	28,612
Disposals	–	–	–	(250)	(226)
Write off	–	–	–	–	(2,058)
At 31.12.2012	3,489	648	111,388	443,995	456,870
Accumulated impairment losses					
At 1.1.2012/At 31.12.2012	–	3,265	50,020	42,985	38,422
Net book value					
At 31.12.2012	13,967	91,365	148,215	212,741	154,095

Production equipment at cost RM'000	Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improvements at cost RM'000	Assets under construction at cost RM'000	Structures at cost RM'000	Total RM'000
1,358	307,323	29,164	20,322	30,808	13,446	108,036	2,222,723
–	18,335	1,386	2,105	–	13,829	4,435	98,178
–	(2,283)	–	(821)	–	–	(119)	(3,864)
–	(58)	–	–	–	(77)	(1,429)	(4,493)
–	4,012	401	108	–	(22,507)	13,305	–
1,358	327,329	30,951	21,714	30,808	4,691	124,228	2,312,544
1,184	218,500	25,535	15,816	28,869	–	82,799	1,333,341
67	26,688	2,557	1,517	–	–	7,722	96,837
–	(1,808)	–	(777)	–	–	(97)	(3,158)
–	(43)	–	–	–	–	(1,311)	(3,412)
1,251	243,337	28,092	16,556	28,869	–	89,113	1,423,608
–	3,975	–	910	–	–	382	139,959
107	80,017	2,859	4,248	1,939	4,691	34,733	748,977



Notes to the Financial Statements

for the financial year ended 31 December 2012

24 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Leasehold land RM'000	Freehold land at cost RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broad- casting and transmission equipment at cost RM'000
2011						
Cost						
At 1.1.2011 (as previously stated)		14,942	79,635	304,824	691,517	565,103
Adoption of MFRS1 exemption options	46	(4,851)	17,778	12,292	–	–
Reclassification		7,365	–	(7,453)	(11,684)	–
At 1.1.2011 (as restated)		17,456	97,413	309,663	679,833	565,103
Additions		–	–	–	1,666	38,403
Disposals		–	(2,135)	–	–	(248)
Write off		–	–	–	(1,839)	–
Reclassification		–	–	(40)	6,991	–
At 31.12.2011		17,456	95,278	309,623	686,651	603,258
Accumulated depreciation						
At 1.1.2011		2,577	–	97,197	402,769	405,716
Charge for the financial year (restated)		455	–	7,420	21,298	25,074
Disposals		–	–	–	–	(248)
Write off		–	–	–	(1,620)	–
At 31.12.2011 (restated)		3,032	–	104,617	422,447	430,542
Accumulated impairment losses						
At 1.1.2011		–	3,265	49,867	42,985	36,407
Charge for the financial year		–	–	153	–	2,015
At 31.12.2011		–	3,265	50,020	42,985	38,422
Net book value						
At 31.12.2011 (restated)		14,424	92,013	154,986	221,219	134,294
At 1.1.2011 (restated)		14,879	94,148	162,599	234,079	122,980

Comparative figures have been restated for reclassifications between property, plant and equipment and investment properties category to conform with current year presentation.

Production equipment at cost RM'000	Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improvements at cost RM'000	Assets under construction at cost RM'000	Structures at cost RM'000	Total RM'000
1,294	262,705	27,382	20,229	30,808	13,711	103,341	2,115,491
—	—	—	—	—	—	—	25,219
—	12,099	—	(2)	—	(9)	—	316
1,294	274,804	27,382	20,227	30,808	13,702	103,341	2,141,026
64	31,745	2,101	1,062	—	11,264	5,624	91,929
—	(5)	—	(967)	—	—	(13)	(3,368)
—	(3,790)	(319)	—	—	—	(916)	(6,864)
—	4,569	—	—	—	(11,520)	—	—
1,358	307,323	29,164	20,322	30,808	13,446	108,036	2,222,723
1,066	198,267	21,966	14,419	28,869	—	76,106	1,248,952
118	23,857	3,699	2,048	—	—	7,420	91,389
—	(1)	—	(651)	—	—	(9)	(909)
—	(3,623)	(130)	—	—	—	(718)	(6,091)
1,184	218,500	25,535	15,816	28,869	—	82,799	1,333,341
—	3,975	—	910	—	—	382	137,791
—	—	—	—	—	—	—	2,168
—	3,975	—	910	—	—	382	139,959
174	84,848	3,629	3,596	1,939	13,446	24,855	749,423
228	72,562	5,416	4,898	1,939	13,702	26,853	754,283



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24 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company	
	2012 RM'000	2011 RM'000
Office equipment, furniture & fittings		
Cost		
At 1 January	3,645	3,582
Additions	42	63
At 31 December	3,687	3,645
Accumulated depreciation		
At 1 January	3,321	2,116
Charge for the financial year	222	1,205
At 31 December	3,543	3,321
Net book value		
At 31 December	144	324
At 1 January	324	1,466

The value of property, plant and equipment of the Group includes the following assets acquired under hire-purchase and finance lease agreements:

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
Group			
2012			
Broadcasting, transmission and production equipment	15,339	(7,146)	8,193
Office equipment and furniture and fittings	10,008	(10,008)	–
	25,347	(17,154)	8,193
2011			
Broadcasting, transmission and production equipment	29,992	(13,173)	16,819
Office equipment and furniture and fittings	10,008	(6,672)	3,336
Motor vehicles	504	(494)	10
	40,504	(20,339)	20,165
1.1.2011			
Broadcasting, transmission and production equipment	29,992	(9,564)	20,428
Office equipment and furniture and fittings	10,008	(3,300)	6,708
Motor vehicles	504	(461)	43
	40,504	(13,325)	27,179

25 INVESTMENT PROPERTIES

Group	Leasehold land at cost RM'000	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Cost					
At 1 January 2012	16,386	11,612	65,153	2,382	95,533
Disposal	–	–	(4,217)	–	(4,217)
At 31 December 2012	16,386	11,612	60,936	2,382	91,316
Accumulated depreciation					
At 1 January 2012	4,808	–	9,115	699	14,622
Charge for the financial year	126	–	1,601	–	1,727
Disposal	–	–	(840)	–	(840)
At 31 December 2012	4,934	–	9,876	699	15,509
Accumulated impairment losses					
At 1 January 2012	1,457	1,101	11,463	1,683	15,704
Disposal	–	–	(1,953)	–	(1,953)
At 31 December 2012	1,457	1,101	9,510	1,683	13,751
Net book value					
At 31 December 2012	9,995	10,511	41,550	–	62,056



Notes to the Financial Statements

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25 INVESTMENT PROPERTIES (CONTINUED)

Group	Note	Leasehold land at cost RM'000	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Cost						
At 1 January 2011 (as previously stated)		12,536	9,831	61,774	2,382	86,523
Adoption of MFRS 1 exemption options		6,855	8,451	(5,932)	–	9,374
Reclassification		(3,005)	(6,670)	9,359	–	(316)
At 1 January 2011 (as restated)		16,386	11,612	65,201	2,382	95,581
Additions		–	–	417	–	417
Disposal		–	–	(465)	–	(465)
At 31 December 2011		16,386	11,612	65,153	2,382	95,533
Accumulated depreciation						
At 1 January 2011		3,180	–	9,090	699	12,969
Charge for the financial year (restated)		1,628	–	135	–	1,763
Disposal		–	–	(110)	–	(110)
At 31 December 2011 (restated)		4,808	–	9,115	699	14,622
Accumulated impairment losses						
At 1 January 2011/31 December 2011		1,457	1,101	11,463	1,683	15,704
Net book value						
At 31 December 2011 (restated)		10,121	10,511	44,575	–	65,207
At 1 January 2011 (restated)		11,749	10,511	44,648	–	66,908

The above properties are not occupied by the Group and are used to earn rentals or for capital appreciation. Comparative figures have been restated for reclassifications between property, plant and equipment and investment properties category to conform with current year presentation.

25 INVESTMENT PROPERTIES (CONTINUED)

The fair value of the properties was estimated at RM66.3 million (2011: RM67.1 million, 1.1.2011: RM66.9 million) based on valuations by independent professional valuers in 2011. Valuations were based on current prices in an active market.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM357,043 (2011: RM444,891).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM562,301 (2011: RM682,441).

The titles to freehold and leasehold properties included in the investment properties for the Group at net book value of RM20.4 million (2011: RM20.7 million, 1.1.2011: RM21.0 million) are in the process of being transferred to the Group. Risks, rewards and effective titles to those properties have been passed to the Group upon unconditional completion of the acquisition of the properties. The Group has submitted the relevant documents to the authorities for transfer of legal titles to the Group and is awaiting the process and formalities of this transfer to be completed.

26 SUBSIDIARIES

	Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Unquoted shares, at cost	1,086,660	1,139,385	1,324,403
Redeemable preference shares ("RPS") (Note 33)	628,984	218,500	–
	1,715,644	1,357,885	1,324,403

During the financial year, the Group continues its group-wide internal corporate restructuring exercise ("Group Internal Restructuring") to realign the Group's businesses into distinct business units. The Group Internal Restructuring will involve the reorganisation of various entities within the Group's existing business segments into six (6) principal business units.

On 31 December 2012, the Group completed phase 2 of the restructuring exercise which resulted in the following transfers:

- the disposal of the Company's entire equity and non-equity interests in UPD Sdn Bhd ("UPD"), The Right Channel Sdn Bhd ("TRC") and Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter") and its subsidiaries, to Big Tree Outdoor Sdn Bhd ("BTO") (a subsidiary of the Company) for a total consideration of RM43.2 million; and
- the disposal of the Company's entire equity and non-equity interest in One FM Radio Sdn Bhd to Synchrosound Studio Sdn Bhd for a total consideration of RM11.8 million.



Notes to the Financial Statements

for the financial year ended 31 December 2012

26 SUBSIDIARIES (CONTINUED)

During previous financial year, the Group completed phase 1 of the restructuring exercise which resulted in the following transfers:

- the disposal of the Company's entire equity and non-equity interests in ntv7, TV9 and Merit Idea Sdn Bhd (which wholly-owns 8TV), to STMB (a subsidiary of the Company) for a total consideration of RM376.7 million; and
- the disposal of the Company's entire equity and non-equity interests in Perintis Layar Sdn Bhd (which wholly-owns FlyFM), to Synchrosound Studio Sdn Bhd (a subsidiary of the Company) for a total consideration of RM18 million.

The above restructuring exercise has no impact to the Group's and Company's results or cash outflows (Note 40).

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Sistem Televisyen Malaysia Berhad ("STMB")	Malaysia	Commercial television broadcasting	100	100	100
Synchrosound Studio Sdn Bhd	Malaysia	Commercial radio broadcasting	100	100	100
Big Tree Outdoor Sdn Bhd ("BTO")	Malaysia	Provision of advertising space and related services, investment holding and management services	100	100	100
Primeworks Studios Sdn Bhd	Malaysia	Production of motion picture films, acquiring ready made films from local producers and production houses and investment holding	100	100	100
Big Events Sdn Bhd	Malaysia	Events management	100	100	100
The Talent Unit Sdn Bhd	Malaysia	Talent management of artistes	100	100	100
Alternate Records Sdn Bhd	Malaysia	Album production and recording studio	100	100	100
Amity Valley Sdn Bhd	Malaysia	Investment holding	100	100	100

26 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	100	100	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	100	100	100
Media Prima Content Services Sdn Bhd ("MPCS")	Malaysia	Content procurement services	100	100	100
Able Communications Sdn Bhd	Malaysia	Dormant	100	100	100
Encorp Media Technology Sdn Bhd	Malaysia	Dormant	100	100	100
Star Crest Media Sdn Bhd	Malaysia	Dormant	100	100	100
Lazim Juta Sdn Bhd	Malaysia	Investment holding	100	100	100
The New Straits Times Press (Malaysia) Berhad ("NSTP")	Malaysia	Publishing and sale of newspaper and investment holding	98.17	98.17	98.17
Held by STMB					
Ch-9 Media Sdn Bhd ("TV9")	Malaysia	Commercial television broadcasting	100	100	100
Natseven TV Sdn Bhd ("ntv7")	Malaysia	Commercial television broadcasting	100	100	100
Merit Idea Sdn Bhd	Malaysia	Investment holding	100	100	100
Held by Merit Idea Sdn Bhd					
Metropolitan TV Sdn Bhd ("8TV")	Malaysia	Commercial television broadcasting	100	100	100



Notes to the Financial Statements

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26 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Held by Synchrosound Studio Sdn Bhd					
Perintis Layar Sdn Bhd	Malaysia	Investment holding	100	100	100
One FM Radio Sdn Bhd	Malaysia	Commercial radio broadcasting	80	80	80
Held by Perintis Layar Sdn Bhd					
Max-Airplay Sdn Bhd ("FlyFM")	Malaysia	Commercial radio broadcasting	100	100	100
Held by NSTP					
Berita Book Centre Sdn Bhd	Malaysia	Dormant	100	100	100
Berita Harian Sdn Berhad	Malaysia	Dormant	100	100	100
Business Times (Malaysia) Sdn Bhd	Malaysia	Dormant	100	100	100
Marican Sdn Berhad	Malaysia	Dormant	92.5	92.5	92.5
New Straits Times Sdn Berhad	Malaysia	Dormant	100	100	100
New Straits Times Technology Sdn Bhd	Malaysia	Dormant	100	100	100
NSTP e-Media Sdn Bhd	Malaysia	Internet based on-line services	100	100	100
Shin Min Publishing (Malaysia) Sdn Bhd	Malaysia	Dormant	89.6	89.6	89.6
The New Straits Times Properties Sdn Bhd	Malaysia	Property management services	100	100	100

26 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Held by New Straits Times Technology Sdn Bhd					
Berita Information Systems Sdn Bhd	Malaysia	Dormant	100	100	100
Held by Jupiter Outdoor Network Sdn Bhd					
Calcom Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	100	99.99	99.99
Lokasi Sejagat Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	100	100	100
Wawasan Kilat Sdn Bhd*	Malaysia	Dormant	–	100	100
Skyten Marketing Sdn Bhd	Malaysia	Dormant	100	100	100
Held by Big Tree Outdoor Sdn Bhd					
UPD Sdn Bhd (“UPD”)	Malaysia	Outdoor advertising	100	100	100
The Right Channel Sdn Bhd (“TRC”)	Malaysia	Outdoor advertising	100	100	100
Kurnia Outdoor Sdn Bhd (“Kurnia”) (Note 37(A) (ii))	Malaysia	Outdoor advertising	100	95	89
Jupiter Outdoor Network Sdn Bhd (Note 37(A)(i))	Malaysia	Outdoor advertising	100	95	89
Big Tree Productions Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	100	100	100
Uniteers Outdoor Advertising Sdn Bhd	Malaysia	Advertising contracting and agents, sale of advertising space	100	100	100



Notes to the Financial Statements

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26 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Held by Big Tree Outdoor Sdn Bhd (Continued)					
Gotcha Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	100	100	100
Eureka Outdoor Sdn Bhd	Malaysia	Dormant	100	100	100
Anchor Heights Sdn Bhd	Malaysia	Dormant	100	100	100
Uni-Talent Gateway Sdn Bhd	Malaysia	Dormant	100	100	100
Held by Alternate Records Sdn Bhd					
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	60	60	60
Held by Primeworks Studios Sdn Bhd					
Alt Media Sdn Bhd (“Alt Media”)	Malaysia	New media businesses and related activities	100	100	100
Held by UPD Sdn Bhd (“UPD”)					
Utusan Sinar Media Sdn Bhd	Malaysia	Dormant	100	100	100
Held by The Right Channel Sdn Bhd (“TRC”)					
MMC-AD Sdn Bhd	Malaysia	Undertaking outdoor advertising business	100	100	100
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	100	100	100

26 SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation	Principal activities	Interest in equity		
			2012 %	2011 %	1.1.2011 %
Held by Kurnia Outdoor Sdn Bhd					
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	100	100	100
Held by Amity Valley Sdn Bhd					
Gama Media International (BVI) Ltd**(Note 37(B)(iii))	British Virgin Islands	Investment holding	–	100	100
Held by Lazim Juta Sdn Bhd					
Strategic Media Asset Mgmt Co. Ltd.	Labuan	Dormant	100	100	100
Held by Gama Media International (BVI) Ltd					
Gama Film Company Limited ^ (Note 37(B)(ii))	Republic of Ghana	Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution	–	–	70
TV3 Network Limited ^ (Note 37(B)(i))	Republic of Ghana	Media and communication businesses, managerial services and operation of free-to-air television service	–	–	90
Cableview Network Limited ^ (Note 37(B)(ii))	Republic of Ghana	Dormant	–	–	70
Gama Media Systems Limited ^ (Note 37(B)(ii))	Republic of Ghana	Dormant	–	–	70

^ Audited by a firm other than PricewaterhouseCoopers, Malaysia.

* Strike off application for the Company has been approved on 5 October 2012.

** Voluntary dissolution of the Company has been completed on 14 December 2012.



Notes to the Financial Statements

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27 ASSOCIATES

	Group		
	2012	2011	1.1.2011
	RM'000	Restated RM'000	Restated RM'000
Share of net assets	163,345	159,019	155,912

The Group's share of revenue, profit, assets and liabilities of the associates are as follows:

	Group	
	2012	2011
	RM'000	RM'000
Revenue	107,907	114,449
Net profit for the financial year	7,926	3,107

	2012	2011	1.1.2011
	RM'000	RM'000	RM'000
Non-current assets	169,570	181,205	191,917
Current assets	20,507	25,202	21,715
Current liabilities	(19,311)	(36,095)	(32,417)
Non-current liabilities	(7,421)	(11,293)	(25,303)
Share of net assets	163,345	159,019	155,912

Details of the associates, all of which are incorporated in Malaysia, are as follows:

Name of company	Principal activities	Group effective interest in equity		
		2012	2011	1.1.2011
		%	%	%
Sistem Network Nusantara Sdn Bhd	Dormant	49.00	49.00	49.00
Held by NSTP				
Asia Magazines Limited (Incorporated in Hong Kong)	Dormant	26.41 ^	26.41 ^	26.41 ^
Business Day Co. Ltd (Incorporated in Thailand)	Dormant	46.63 ^	46.63 ^	46.63 ^
Malaysian Newsprint Industries Sdn Bhd	Manufacture and sale of newsprint and related paper products	21.00 ^	21.00 ^	21.00 ^
Laras Perkasa Sdn Bhd	Dormant	29.45 ^	29.45 ^	29.45 ^

^ Effective interest via 98.17% interest in NSTP

28 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Shares in corporations, quoted in Malaysia	2	86	125
Units in property and unit trusts, quoted in Malaysia	–	3,144	3,040
Shares in corporations, unquoted in Malaysia	2 88	3,230 88	3,165 88
	90	3,318	3,253

Changes in fair values of financial assets at fair value through profit or loss are recorded on the face of the profit or loss.

The fair value of all equity securities is based on their current bid prices in an active market.

29 INTANGIBLE ASSETS

	Group						
	Programmes rights (definite life) RM'000	Film rights (definite life) RM'000	Goodwill (indefinite life) RM'000	Acquired concession rights and outdoor advertising rights (definite life) RM'000	Acquired concession rights and outdoor advertising rights (indefinite life) RM'000	Acquired publishing rights and contracts (indefinite life) RM'000	Total RM'000
At 1 January 2012	3,920	15,041	128,170	22,866	39,446	161,012	370,455
Additions	180,921	13,878	–	–	–	–	194,799
Amortisation during the financial year	184,841	28,919	128,170	22,866	39,446	161,012	565,254
Write off during the financial year	(175,560)	(9,905)	–	(3,809)	–	–	(189,274)
	(740)	–	–	–	–	–	(740)
At 31 December 2012	8,541	19,014	128,170	19,057	39,446	161,012	375,240



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29 INTANGIBLE ASSETS (CONTINUED)

	Group						
	Programmes rights (definite life) RM'000	Film rights (definite life) RM'000	Goodwill (indefinite life) RM'000	Acquired concession rights and outdoor advertising rights (definite life) RM'000	Acquired concession rights and outdoor advertising rights (indefinite life) RM'000	Acquired publishing rights and contracts (indefinite life) RM'000	Total RM'000
At 1 January 2011	15,788	10,276	128,170	27,138	39,446	161,012	381,830
Additions	161,342	16,434	–	–	–	–	177,776
	177,130	26,710	128,170	27,138	39,446	161,012	559,606
Amortisation during the financial year	(167,578)	(11,605)	–	(4,272)	–	–	(183,455)
Write off during the financial year	(5,632)	(64)	–	–	–	–	(5,696)
At 31 December 2011	3,920	15,041	128,170	22,866	39,446	161,012	370,455

Intangible assets with indefinite useful lives are tested for impairment on an annual basis. Included in intangible assets are acquired rights which have indefinite useful lives, totalling RM200.4 million (2011: RM200.4 million; 1.1.2011: RM200.4 million). These assets are deemed to have indefinite useful lives as they are renewable with minimum cost to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. Based on the test performed as described below, the Directors concluded that the recoverable amount, calculated based on value-in-use, is higher than the carrying amount.

Impairment tests for intangible assets with indefinite useful life

The carrying amounts of intangible assets allocated to the Group's cash-generating units ("CGUs") are as follows:

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
NSTP Group	161,012	161,012	161,012
BTO Group	116,638	116,638	116,638
Kurnia Group	35,273	35,273	35,273
One FM	11,384	11,384	11,384
Others	4,321	4,321	4,321
	328,628	328,628	328,628

No impairment loss was required for the carrying amounts of the intangible assets above assessed as at 31 December 2012 as their recoverable amounts were in excess of their carrying amounts.

29 INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of the CGUs are determined based on value-in-use calculations. Cash flows are derived based on the approved budgeted cash flows for 2013 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

The key assumptions used for the value-in-use calculations are as follows:

	NSTP Group %	BTO Group %	Kurnia Group %	One FM %
2012				
Average revenue growth	3.0	5.6	5.6	5.6
Pre-tax discount rate	10.55	12.23	12.23	12.23
Terminal growth rate	0.0	2.5	2.5	2.5

2011				
Average revenue growth	5.0	7.65	7.65	7.65
Pre-tax discount rate	11.55	12.88	12.88	12.88
Terminal growth rate	0.0	2.5	2.5	2.5

1.1.2011				
Average revenue growth	5.0	7.5	7.5	7.5
Pre-tax discount rate	12.0	16.0	16.0	16.0
Terminal growth rate	0.0	2.5	2.5	2.5

- (i) A terminal growth rate of 0.0% to 2.5% (2011: 0.0% to 2.5%; 1.1.2011: 0.0% to 2.5%) is applied in the VIU calculation. The average revenue growth rate and terminal growth rate reflects long term growth forecast.
- (ii) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.
- (iii) Contribution margins and EBITDA margins are projected based on the industry trends, together with the trends observed within the Group.
- (iv) Maintenance costs and taxes at 25% is incorporated in the cash flows.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed their recoverable amounts.



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30 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2012 RM'000	2011 RM'000
At 1 January	1,400	1,120
Disposal	(75)	–
Net gains transfer to equity	1,200	280
At 31 December	2,525	1,400

Available-for-sale financial assets comprise unquoted shares and are denominated in Ringgit Malaysia.

The fair value of unlisted securities are based on inputs rather than quoted prices included within active markets that are not observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of available-for-sale assets equals the carrying amount.

31 INVENTORIES

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Raw materials	84,307	145,268	108,096
Publication stocks	111	485	419
	84,418	145,753	108,515

32 TRADE AND OTHER RECEIVABLES

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Trade receivables	429,344	389,182	372,906	–	–	–
Less: Provision for Impairment	(60,604)	(58,502)	(76,507)	–	–	–
	368,740	330,680	296,399	–	–	–
Less: Advanced billings	(5,336)	(5,774)	(3,312)	–	–	–
	363,404	324,906	293,087	–	–	–
Deposits	13,365	11,819	11,161	104	74	74
Prepayments	27,361	22,163	22,021	141	277	413
Other receivables	205,608	196,631	189,280	2,400	190	180
	246,334	230,613	222,462	2,645	541	667
Less: Provision for impairment of other receivables	(174,386)	(175,719)	(170,680)	–	–	–
	71,948	54,894	51,782	2,645	541	667
	435,352	379,800	344,869	2,645	541	667

All receivables are mostly due within 12 months from the end of the reporting period.

The fair values of trade and other receivables approximates the carrying value.

As of 31 December 2012, trade receivables that were past due but not impaired are as disclosed below. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Ageing 3 to 6 months	86,191	71,633	70,438
Ageing 7 to 12 months	13,328	21,129	13,628
Over 12 months	3,959	1,520	2,825
	103,478	94,282	86,891

As of 31 December 2012, trade receivables of RM60,604,000 (2011: RM58,502,000; 1.1.2011: RM76,507,000) were impaired and provided for. The individually impaired receivables mainly relate to customers that defaulted in payment, which are in unexpectedly difficult financial position. It was assessed that an insignificant portion of the receivables is only expected to be recovered. The ageing of these receivables is as follows:



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32 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Ageing 3 to 6 months	80	4	–
Ageing 7 to 12 months	56	6,976	323
Over 12 months	60,468	51,522	76,184
	60,604	58,502	76,507

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	Group		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
RM	428,554	387,175	371,164
USD	89	846	324
SGD	659	916	1,406
Others	42	245	12
	429,344	389,182	372,906

Movements on the Group's provision for impairment of receivables are as follows:

	Group			
	2012 Trade receivables RM'000	2012 Other receivables RM'000	2011 Trade receivables RM'000	2011 Other receivables RM'000
At 1 January	58,502	175,719	76,507	170,680
Impairment charge for the financial year	3,226	219	8,049	6,407
Receivables written off during the financial year as uncollectible	–	–	(22,070)	(1,259)
Recovery of bad debts	(1,124)	(1,552)	(3,984)	(109)
At 31 December	60,604	174,386	58,502	175,719

The creation and release of provision for impaired receivables have been included as a net amount in the profit and loss. Amounts charged as impairment are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds bank guarantees and deposits amounting to RM43.6 million (2011: RM41.6 million, 1.1.2011: RM4.16 million) as collateral to reduce its credit risk.

33 AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Non-current:			
Amount due from subsidiaries	–	394,741	423,508
Current:			
Amounts due from subsidiaries	52,839	164,941	95,410
Less: Provision for impairment	(20)	(20)	(3,157)
	52,819	164,921	92,253
Amount due to subsidiaries	13,857	29,020	6,088

- (a) The amounts due from subsidiaries classified as non-current are denominated in Ringgit Malaysia, unsecured and interest free for which the Company has no current or foreseeable intention to recall these advances. These balances are the Company's quasi investment in the respective subsidiaries and arose as a result of Internal Group Restructuring as disclosed in Note 26.
- (b) The amounts due from subsidiaries classified as current are denominated in Ringgit Malaysia, unsecured and interest free. These balances are expected to be realisable within the next financial year.
- (c) During the financial year, RM410.5 million (2011: RM218.5 million, 1.1.2011: nil) of the total amount due from subsidiaries were converted into RPS as disclosed in Note 26.

34 DEPOSITS, CASH AND BANK BALANCES

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Cash and bank balances	107,204	105,030	65,084	34,924	21,864	16,698
Deposits with licensed Banks	575,174	345,066	252,847	433,519	225,702	118,447
Deposits, cash and bank balances (Note 36)	682,378	450,096	317,931	468,443	247,566	135,145

The deposits, cash and bank balances are denominated in Ringgit Malaysia.

During the financial year, the interest rates for the deposits ranged from 2.9% to 4.35% (2011: 2.75% to 4.15%) per annum for the Group and for the Company. As at 31 December 2012, the effective interest rates for the deposits ranged from 2.9% to 4.35% (2011: 2.75% to 4.15%) per annum for the Group and for the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2011: 30 days to 365 days, 1.1.2011: 30 days to 365 days).

Bank balances are deposits held at call with banks and earn no interest.



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35 AMOUNTS DUE TO AN ASSOCIATE

The amounts due to/from an associate is denominated in Ringgit Malaysia, unsecured, interest free and has no fixed terms of repayment.

36 CASH AND CASH EQUIVALENTS

	Group			Company		
	2012 RM'000	2011 RM'000	1.1.2011 RM'000	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Deposits, cash and bank balances (Note 34)	682,378	450,096	317,931	468,443	247,566	135,145
Cash from subsidiary held for sale	–	–	578	–	–	–
Less:						
Restricted deposits:						
– Deposits with a licensed bank	(33,841)	(21,783)	(9,740)	(31,735)	(18,911)	(5,251)
– Bank balances and deposits held in respect of public donations	(1,804)	(3,396)	(2,827)	–	–	–
	646,733	424,917	305,942	436,708	228,655	129,894

Bank balances at the end of the financial year include the following deposits which are not available for use by the Group and the Company:

- Deposits with a licensed bank, amounting to RM2,105,774 (2011: RM2,351,967, 1.1.2011: RM3,069,717), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company. These are long term restricted cash up to 2014.
- Deposits with licensed bank of RM Nil (2011: RM520,136, 1.1.2011: RM1,420,397) are pledged to the licensed bank as security for the overdraft and bank guarantee facilities granted to a subsidiary company.
- Deposits with licensed bank of RM4,575,126 (2011: RM4,537,052; 1.1.2011: RM4,499,602) which have been placed with the licensed bank for bond security. These are restricted cash up to 2015.
- Proceeds received from exercise of warrants amounting to RM27,160,036 (2011: RM14,374,174; 1.1.2011: RM751,088) have been placed under proceeds account in a licensed bank pursuant to the RFRB Deed Poll. These are restricted cash up to 2015.
- Bank balances and deposits held in respect of public donations are restricted from being used by the Group indefinitely other than for the purpose of distribution to designated recipients.

37 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

A. ACQUISITION

Previous financial year

- (i) Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter")

On 12 November 2009, the Company entered into share sale agreements with Asia Posters Sdn Bhd, Yew Wai Sung ("YWS") and Koh Swee Han ("KSH") to acquire, in total, potentially 1,000,000 and 57,500 ordinary shares of RM1.00 each in Kurnia and Jupiter representing 100% of the issued and paid-up share capital of Kurnia and Jupiter respectively.

The purchase of the ordinary shares of YWS and KSH in Kurnia and Jupiter is to be completed in four tranches with the first tranche being completed on 12 November 2009. The remaining three tranches representing 20% of the ownership interest in Kurnia and Jupiter was to be completed subsequent to 12 November 2009 over a period of three years subject to certain conditions to be met.

On 19 April 2010, MPB acquired a further 9% stake, representing the second tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM4.1 million. As at 31 December 2010, MPB holds 89% equity interest in Kurnia and Jupiter.

On 10 May 2011, MPB acquired a further 6% stake representing the third tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM2.72 million. As at 31 December 2011, MPB holds 95% equity interest in Kurnia and Jupiter.

The impact of the purchase of further interest in Kurnia and Jupiter in 2011 was as follows:

	2011 RM'000
Consideration paid to non-controlling interest, net of transaction cost	2,723
Carrying amount of non-controlling interest acquired	(1,722)
Difference recognised in retained earnings	1,001

On 13 April 2012, MPB acquired a further 5% stake representing the fourth tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM2.27 million. As at 31 December 2012, MPB holds 100% equity interest in Kurnia and Jupiter.

The impact of the purchase of further interest in Kurnia and Jupiter in the current financial year is as follows:

	2012 RM'000
Consideration paid to non-controlling interest, net of transaction cost	2,269
Carrying amount of non-controlling interest acquired	(2,024)
Difference recognised in retained earnings	245



Notes to the Financial Statements

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37 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

B. DISPOSAL

Previous financial year

(i) TV3 Network Limited ("TV3N")

On 6 January 2011, a wholly-owned subsidiary, Gama Media International (BVI) Ltd had entered into a Sale and Purchase Agreement to divest its 90% equity interest in TV3N to Media General Ghana Ltd.

The disposal was completed on 5 September 2011. The effect of the disposal on the Group's results is as disclosed in the financial statements.

The net cash flow on disposal is determined as follows:

	At date of disposal RM'000
Total proceeds from disposal:	
Cash consideration	8,196
Expenses directly attributable to the disposal	(489)
Net disposal proceeds	7,707
Cash and cash equivalents of the subsidiary disposed	–
Net cash flow on disposal	7,707

(ii) Gama Film Company Limited ("GFC"), Cableview Network Limited ("CVN") and Gama Media Systems Limited ("GMS")

On 15 December 2011, a wholly-owned subsidiary, Gama Media International (BVI) Ltd divested its 70% equity interest in GFC to the Government of Ghana whilst CVN and GMS were divested on 16 December 2011 to Winmat Limited.

The effect of the disposal on the Group's results is as disclosed in the financial statements. The net cash flow on disposal is determined as follows:

	At date of disposal RM'000
Total proceeds from disposal:	
Cash consideration	*
Expenses directly attributable to the disposal	(99)
Net expenses	(99)
Cash and cash equivalents of the subsidiary disposed	–
Net cash flow on disposal	(99)

*USD1

37 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

B. DISPOSAL (CONTINUED)

Current financial year

(iii) Gama Media International (BVI) Ltd ("GMI")

Gama Media International (BVI) Ltd ("GMI"), a wholly-owned subsidiary was dissolved on 14 December 2012.

The liquidation of GMI did not have any material effect on the earnings or net of the MPB Group for the financial year ended 31 December 2012.

38 CASH FLOWS GENERATED FROM OPERATIONS

	Group		Company	
	2012	2011	2012	2011
	RM'000	Restated RM'000	RM'000	RM'000
Net profit for the financial year from:				
Continuing operations	210,978	206,326	76,746	234,484
Subsidiary held for sale	334	2,252	–	–
	211,312	208,578	76,746	234,484
Adjustments for:				
Programmes, film rights and album production cost				
– Amortisation	185,465	179,183	–	–
– Write off	740	5,696	–	–
Prepaid expenditure written off	–	27	–	–
Property, plant and equipment				
– Depreciation	96,837	91,389	222	1,205
– Net (gain)/loss on disposals	(742)	1,786	–	–
– Write off	1,081	773	–	–
– Charges for impairment losses	–	2,168	–	–
Investment properties				
– Depreciation	1,727	1,763	–	–
– Gain on disposal	(1,500)	(61)	–	–
Amortisation of acquired rights	3,809	4,272	–	–
Interest expenses	27,451	32,085	24,087	29,342
Fair value gain on financial assets				
at fair value through profit or loss	–	(65)	–	–
Net unrealised exchange (gain)/loss	(43)	48	–	–
Gain on disposal of investment	(145)	–	–	–
Share of results of an associate	(7,926)	(3,107)	–	–
Dividend income	(61)	(80)	(159,574)	(324,870)
Interest income	(9,141)	(8,538)	(5,002)	(4,682)
Taxation	71,967	71,416	31,555	45,288
Impairment losses on trade and other receivables	769	10,363	–	–
Gain on disposal of subsidiary held for sale	(334)	(724)	–	–
	581,266	596,972	(31,966)	(19,233)



Notes to the Financial Statements

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38 CASH FLOWS GENERATED FROM OPERATIONS (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM'000	Restated RM'000	RM'000	RM'000
Changes in working capital:				
Inventories	61,335	(37,238)	–	–
Receivables	(57,139)	(45,706)	(2,104)	126
Payables	(191,199)	(152,246)	2,989	(181)
Subsidiaries	–	–	136,190	54,897
Associates	5,208	(9,432)	–	–
Cash flows generated from operations	399,471	352,350	105,109	35,609

39 ASSETS HELD FOR SALE

	Group		
	2012	2011	1.1.2011
	RM'000	RM'000	RM'000
Assets			
Leasehold buildings (Note a)	–	180	180
Assets of subsidiaries held for sale (Note 37(B)(i) and (ii))	–	–	16,302
	–	180	16,482
Liabilities			
Liabilities of subsidiaries held for sale (Note 37(B)(i) and (ii))	–	–	23,239

- (a) In the prior financial years, NSTP, the Company entered into sale and purchase agreements for the proposed disposal of leasehold buildings. The transfer of ownership of leasehold buildings was completed on 28 February 2012.
- (b) The subsidiaries held for sale was disposed during the previous financial year as disclosed in Note 37(B)(i) and (ii).

40 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year were as follows:

	Group	
	2012 RM'000	2011 RM'000
Property, plant and equipment obtained through: – contra arrangements with customers	1,279	–
Investment property obtained through: – contra arrangement with a customer	–	417

	Company	
	2012 RM'000	2011 RM'000
Disposal of interest via issuance of Redeemable Preference Shares in UPD, TRC, Kurnia and Jupiter	42,484	–
Disposal of interest via intercompany balances in ntv7, TV9, Merit Idea Sdn Bhd and Perintis Layar Sdn Bhd	–	394,741

41 RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Executive Directors and the senior management of the Company.

Key management compensation was as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Key management:				
– Fees	885	885	435	435
– Basic salaries, bonus and other remunerations	7,955	9,591	3,619	3,160
– Allowance	1,389	1,610	617	593
– Defined contribution retirement plan	1,502	1,706	676	611
	11,731	13,792	5,347	4,799
Estimated monetary value of benefits-in-kind	184	393	41	130

Included in the key management compensation is Directors' remuneration as disclosed in Note 7 to the financial statements.



Notes to the Financial Statements

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41 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Key management compensation (continued)

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

Number of options over ordinary shares of RM1.00 each					
Grant date	Expiry date	Exercise price RM/share	At 1 January 2012 '000	Exercised '000	At 31 December 2012 '000
Financial year ended 31 December 2012					
31 May 2010	13 May 2015	1.80	1,640*	(360)	1,280

* Exclude senior management who resigned during the year.

Number of options over ordinary shares of RM1.00 each					
Grant date	Expiry date	Exercise price RM/share	At 1 January 2011 '000	Exercised '000	At 31 December 2011 '000
Financial year ended 31 December 2011					
31 May 2010	13 May 2015	1.80	3,847	(1,682)	2,165

41 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between Group entities

Name of company	Relationship
The New Straits Times Press (Malaysia) Berhad ("NSTP")	A subsidiary of the Company
Sistem Televisyen Malaysia Berhad ("STMB")	A subsidiary of the Company
Metropolitan TV Sdn Bhd ("8TV")	A subsidiary of the Company
Natseven TV Sdn Bhd ("ntv7")	A subsidiary of the Company
Ch-9 Media Sdn Bhd ("Ch-9")	A subsidiary of the Company
Big Tree Outdoor Sdn Bhd	A subsidiary of the Company
UPD Sdn Bhd	A subsidiary of the Company
Synchrosound Studio Sdn Bhd	A subsidiary of the Company
Merit Idea Sdn Bhd	A subsidiary of the Company
Kurnia Outdoor Sdn Bhd	A subsidiary of the Company
Malaysian Newsprint Industries Sdn Bhd ("MNI")	An associate of the Group

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party transactions which were carried out on terms and conditions attainable in transactions with unrelated parties.

Purchases of goods and services

	Group	
	2012	2011
	RM'000	RM'000
Purchase of newsprints from:		
– MNI	75,466	123,111

Sales and purchase of goods and services:

	Company	
	2012	2011
	RM'000	RM'000
(i) Fees receivable in relation to provision of procurement services to:		
– STMB	1,361	3,269
– 8TV	1,169	2,334
– ntv7	934	1,247
– Ch-9	1,070	317
(ii) Dividends received/receivable net of tax from:		
– STMB	76,439	97,778
– Big Tree Outdoor Sdn Bhd	9,675	9,000
– NSTP	23,991	159,406
– UPD Sdn Bhd	3,326	3,000
– Synchrosound Studio Sdn Bhd	8,000	4,500
– Kurnia Outdoor Sdn Bhd	4,000	–
(iii) Purchase of advertisement slots from NSTP	–	1,995



Notes to the Financial Statements

for the financial year ended 31 December 2012

41 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between Group entities (continued)

The Group entities have an arrangement whereby all sales and placement of advertisements between the Group entities are made in slots/space usually reserved for in-house advertisements and promotions. The fair values of these sales and placement of advertisements are not material in relation to the financial statements.

(c) Significant related party balances

Amount due from/(to) subsidiaries

	Company		
	2012	2011	1.1.2011
	RM'000	RM'000	RM'000
ntv7	1,769	2,698	164,746
STMB	(12,426)	*374,624	103,611
Media Prima Content Services Sdn Bhd	(1,299)	(1,012)	86,430
NSTP	15,845	122,195	58,800
Alt Media Sdn Bhd	15,199	15,589	28,305
Ch-9	1,570	390	22,102
Perintis Layar Sdn Bhd	244	243	16,789
Kurnia Outdoor Sdn Bhd	—	38	7,517
Merit Idea Sdn Bhd	47	38	5,527
Big Tree Outdoor Sdn Bhd	680	101	(3,420)
Synchrosound Studio Sdn Bhd	11,796	*18,058	3,982
8TV	2,488	3,071	2,936
Primeworks Studios Sdn Bhd	2,429	1,860	4,155
Gama Media International (BVI) Ltd	—	(7,730)	5

* These balances were mainly relating to the Corporate Restructuring as disclosed in Note 26.

Amount due to an associate

	Group	
	2012	2011
	RM'000	RM'000
MNI	3,613	2,005

42 COMMITMENTS

(a) Capital commitments

	Group	
	2012 RM'000	2011 RM'000
Capital commitments, approved but not contracted for		
– Property, plant and equipment	138,282	138,867
– Programmes and film rights	246,621	223,782
Capital commitments, approved and contracted for		
– Property, plant and equipment	38,853	25,235
	423,756	387,884
Share of an associate's capital commitments	886	336

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2012 RM'000	2011 RM'000
– Not later than 1 year	13,035	12,556
– Later than 1 year and not later than 5 years	45,742	46,852
– Later than 5 years	99,870	111,796
	158,647	171,204

The operating lease commitments relate to the rental of the Company's registered office and principal place of business and offices leased by subsidiary companies.

43 CONTINGENT LIABILITIES

(a) Material litigation

The Group is a defendant in 70 (2011: 75) legal suits with contingent liabilities amounting to approximately RM519.1 million (2011: RM450.0 million, 1.1.2011: RM889.5 million). Of the 70 (2011: 75) legal suits, 61 (2011: 68) suits are for alleged defamation (of which 46 (2011: 53) are against NSTP), 4 (2011: 4) are for alleged copyright and 5 (2011: 3) are for alleged breaches of contracts.

In so far as the suits for the alleged copyright and breaches of contract are concerned, the Directors have been advised and are of the considered view that most are unsustainable against the Group.



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43 CONTINGENT LIABILITIES (CONTINUED)

(a) Material litigation (continued)

In relation to the defamation suits against the Group, these have emanated exclusively from its extensive reporting of news and events. As the purveyor of news and information, the Group faces the threat of legal suits on a daily and an ongoing basis. The law does not restrict anyone from filing a suit against another regardless of motive, objective and amount. Even practising the highest standard of reporting and journalism will not avoid the risk of legal suits for the simple reason that people will sue if they perceive that they have been wronged. Hence, having regard to the array of legal defences available to a media company, simply having a legal suit filed against it does not necessarily nor automatically translate into a liability for the Group, whether contingent or otherwise. Furthermore, it is noted that regardless of amount claimed, the current trend of award for defamation suits once liability is determined by the Courts is between RM50,000 to RM300,000 (2011: RM50,000 to RM300,000).

In addition, for the defamation suits against NSTP, it already has in place insurance coverage against damages, if any, awarded against it.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at 31 December 2012 as the Directors are of the opinion that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group to have a material impact on the financial position of the Group.

44 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

(a) Market risks

- (i) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- (ii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- (iii) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value
- (iv) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market

- (b) credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss

- (c) liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risks (continued)

(i) Foreign exchange risk

The Group operates nationally but some of its cost is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. The main costs with such exposure are programme rights and newsprint.

The Group monitors the foreign currency market closely to ensure optimal levels of inventories are purchased when prices are favourable to mitigate purchase requirement when prices are unfavourable.

The Group has an investment in foreign operation, whose net assets is exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operation is not significant to the Group's financial position.

If the Ringgit Malaysia ("RM") had weakened or strengthened by 10% and 20% against the foreign currencies for which the financial instruments are denominated in, with all other variables remain unchanged, post tax profit for the year would have been higher or lower by the following amounts:

Foreign currency	Foreign currency denominated financial instruments			Impact of changes in exchange rate to profit and loss (net of tax)			
	Trade receivables as at 31 December 2012	Trade payables as at 31 December 2012	Currency translation rate as at 31 December 2012	RM weaken by		RM strengthen by	
	(Note 32) RM'000	(Note 22) RM'000	2012 RM	-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	89	(9,027)	3.0580	(1,341)	(670)	670	1,341
1SGD	659	–	2.5032	99	49	(49)	(99)
1EUR	–	(190)	4.0349	(29)	(14)	14	29
1BND	42	–	2.503	6	3	(3)	(6)
	790	(9,217)		(1,265)	(632)	632	1,265



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44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risks (continued)

(i) Foreign exchange risk (continued)

Foreign currency	Foreign currency denominated financial instruments		Currency translation rate as at 31 December 2011 RM	Impact of changes in exchange rate to profit and loss (net of tax)			
	Trade receivables as at 31 December 2011 (Note 32) RM'000	Trade payables as at 31 December 2011 (Note 22) RM'000		RM weaken by		RM strengthen by	
				-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	846	(4,071)	3.1685	(484)	(242)	242	484
1SGD	916	—	2.4470	137	69	(69)	(137)
1EUR	—	(873)	4.1180	(131)	(65)	65	131
1BND	243	—	2.4426	36	18	(18)	(36)
Others	2	—	*	*	*	*	*
	2,007	(4,944)		(442)	(220)	220	442

Foreign currency	Foreign currency denominated financial instruments		Currency translation rate as at 1 January 2011 RM	Impact of changes in exchange rate to profit and loss (net of tax)			
	Trade receivables as at 1 January 2011 (Note 32) RM'000	Trade payables as at 1 January 2011 (Note 22) RM'000		RM weaken by		RM strengthen by	
				-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	324	(1,713)	3.0789	(208)	(104)	104	208
1SGD	1,406	—	2.3843	211	105	(105)	(211)
Others	12	(152)	*	*	*	*	*
	1,742	(1,865)		3	1	(1)	(3)

* No sensitivity analysis is done due to its insignificant impact to the Group.

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risks (continued)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group classified on the consolidated statement of financial position as available-for-sale and fair value through profit and loss. The Group is not exposed to commodity price risk. No financial instruments or derivatives have been employed to hedge this risk as the risk is deemed to be insignificant.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings and debt instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to maintain appropriate level of borrowings in fixed rate instruments to ensure that some level of predictability in cash flows are preserved while ensuring that the Group maintains its cost of debt and gearing ratio at healthy levels within the limits of any covenants. During 2012 and 2011, the Group's borrowings at fixed rate were denominated in RM.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on frequent simulations performed, for which the Group assesses its interest rates risk exposure to be within tolerable limits, the impact on post tax profit of interest rates shift would be as disclosed below:

	Finance cost for the financial year ended 31 December 2012 (Note 4) RM'000	Interest rates for the financial year ended 31 December 2012 %	Impact of changes to interest rates to profit and loss (net of tax)			
			-0.50% RM'000	-0.25% RM'000	0.25% RM'000	0.50% RM'000
Revolving credit	(2,504)	3.85%	245	122	(122)	(245)
BGMTN	(3,635)	4.27%	319	160	(160)	(319)
RFRB	(9,140)	6.50%	527	264	(264)	(527)
Term loans	(10,133)	5.10%	745	373	(373)	(745)
Bank guarantee	(1,035)	2.60%	158	79	(79)	(158)
Hire purchase	(860)	4.00%	81	41	(41)	(81)
CPMTN	(144)	4.38%	12	6	(6)	(12)
	(27,451)		2,087	1,045	(1,045)	(2,087)



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for the financial year ended 31 December 2012

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risks (continued)

	Finance cost for the financial year ended 31 December 2011 (Note 4) RM'000	Interest rates for the financial year ended 31 December 2011 %	Impact of changes to interest rates to profit and loss (net of tax)			
			-0.50% RM'000	-0.25% RM'000	0.25% RM'000	0.50% RM'000
Revolving credit	(514)	3.85	50	25	(25)	(50)
BGMTN	(7,316)	4.27	643	321	(321)	(643)
Bankers' Acceptance	(862)	3.42	95	47	(47)	(95)
RFRB	(9,096)	6.50	525	262	(262)	(525)
Term loans	(10,664)	5.10	784	392	(392)	(784)
Bank guarantee	(2,266)	2.46	345	173	(173)	(345)
Hire purchase	(1,367)	3.98	129	64	(64)	(129)
	(32,085)		2,571	1,284	(1,284)	(2,571)

(b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentration of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

The Group trades with a large number of customers who are nationally and internationally dispersed but within the commercial television, radio broadcasting, outdoor advertising, content production/provision and publishing/print industry. Due to these factors, the Group believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Customer's credit quality is assessed, taking into account its financial position, past experience and other factors if no external credit ratings available for the customers. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The Group does not expect any losses from non-performance by these counterparties.

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. The Group Treasury also considers the impact of discharging borrowings within the Group by relocating cash between subsidiaries whereby new borrowings are entered into whilst available cash is used to settle existing loans in a manner that reduces the Group's finance cost.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statements of financial position date to the contractual maturity date. As the amounts included in the table are contractual undiscounted cash flows, these amount will not reconcile to the amounts disclosed on the statement of financial position for borrowings debt instruments and trade and other payables.

	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 – 2 years RM'000	Between 2 – 5 years RM'000	Total RM'000
Group					
At 31 December 2012					
Trade and other Payables	340,210	–	279	–	340,489
Term loans*	2,384	187,795	–	–	190,179
RFRB*	3,713	3,713	7,425	153,713	168,564
CPMTN*	–	13,140	13,140	339,420	365,700
Hire purchase	1,521	3,423	2,787	1,255	8,986
Bankers' acceptance	26,940	–	–	–	26,940
Revolving credit	12,000	–	–	–	12,000
	386,768	208,071	23,631	494,388	1,112,858



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44 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Group	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 – 2 years RM'000	Between 2 – 5 years RM'000	Total RM'000
At 31 December 2011					
Trade and other payables	415,164	–	409	–	415,573
Term loans*	2,563	21,391	190,179	–	214,133
RFRB*	3,713	3,713	7,425	161,138	175,989
BGMTN*	2,135	102,135	–	–	104,270
Hire purchase	1,673	4,590	4,936	4,043	15,242
Bankers' acceptance	31,953	–	–	–	31,953
Revolving credit	10,000	–	–	–	10,000
	467,201	131,829	202,949	165,181	967,160
At 1 January 2011					
Trade and other payables	327,503	–	409	–	327,912
Term loans*	2,741	21,986	200,069	7,149	231,945
RFRB*	3,713	3,713	7,425	168,563	183,414
BGMTN*	3,588	73,588	104,269	–	181,445
Hire purchase	2,420	6,329	6,267	8,975	23,991
	339,965	105,616	318,439	184,687	948,707

* These also apply to the Company level liquidity profile. All other non-derivative financial liabilities of the Company are less than 3 months.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position.

During 2012, the Group's strategy, which was unchanged from 2011, was to maintain the gearing ratio within the limits allowed by covenants and an AAA (bg) credit rating.

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management (continued)

The AAA (bg) credit rating has been maintained throughout 2011 and 2012. The gearing ratios at 31 December 2012, 2011 and 1.1.2011 were as follows:

	2012 RM'000	2011 RM'000	1.1.2011 RM'000
Debt instruments (Note 16)	448,497	246,932	314,265
Interest bearing bank borrowings (Note 18)	225,940	242,953	215,000
Hire purchase (Note 21)	8,309	13,712	21,095
Total debt	682,746	503,597	550,360
Total equity	1,558,836	1,455,450	1,324,322

Gearing ratio	0.44	0.35	0.42
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The increase in the gearing ratio during 2012 was partly due to the drawdown of CPMTN during the financial year (Note 16).

45 FAIR VALUE

Fair value

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	2012		2011		1.1.2011	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Investment in quoted shares ^	2	2	86	86	125	125
Investment in property and unit trusts ^	—	—	3,144	3,144	3,040	3,040
Investment in unquoted shares	2,613	2,613	1,488	1,488	1,208	1,208
Commercial paper medium term notes (non-current)*	300,144	300,144	—	—	—	—
Bank guarantee medium term notes (non-current)*	—	—	—	—	99,226	99,226
Term loans (unsecured) (non-current)*	—	—	187,000	187,000	201,000	201,000
Redeemable fixed rate bonds*	148,353	148,353	146,679	146,679	145,008	145,008



Notes to the Financial Statements

for the financial year ended 31 December 2012

45 FAIR VALUE (CONTINUED)

Fair value (continued)

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows: (continued)

Company	2012		2011		1.1.2011	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Commercial paper medium term notes (non-current)*	300,144	300,144	–	–	–	–
Bank guarantee medium term notes (non-current)*	–	–	–	–	99,226	99,226
Term loans (unsecured) (non-current)*	–	–	187,000	187,000	201,000	201,000
Redeemable fixed rate bonds*	148,353	148,353	146,679	146,679	145,008	145,008

* The fair value of these financial instruments has been estimated using future contractual cash flows discounted at current market interest rates available for similar financial instruments/loans.

^ The fair value of these items has been estimated using quoted market prices at financial position dates.

** The fair values of the unquoted shares are based on market value of the unlisted securities derived from arm's length transactions.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Group

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2012				
Financial assets				
Investment in quoted shares	2	–	–	2
Investment in unquoted shares	–	2,613	–	2,613
	2	2,613	–	2,615

45 FAIR VALUE (CONTINUED)

Fair value hierarchy (continued)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2011				
Financial assets				
Investment in quoted shares	86	–	–	86
Investment in property and unit trusts	3,144	–	–	3,144
Investment in unquoted shares	–	1,488	–	1,488
	3,230	1,488	–	4,718

46 TRANSITION FROM FRS TO MFRS

- (a) The general principle that should be applied on first time adoption of MFRS is that accounting standards in force at the first annual reporting date, that is 31 December 2012 for the Group, should be applied retrospectively. However, MFRS 1 contains a number of mandatory exceptions which first time adopters are to apply and a number of exemption options that first time adopters are permitted to apply. The MFRS 1 mandatory exceptions had no significant impact to the Group and Company as the bases adopted are consistent with MFRS.
- (b) MFRS 1 exemption options
- (i) Exemption for business combinations

MFRS 1 provides the option to apply MFRS 3 'Business combinations' prospectively for business combinations that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 January 2011. Business combinations that occurred prior to 1 January 2011 have not been restated. In addition, the Group has also applied MFRS 127 'Consolidated and separate financial statements' from the same date.



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46 TRANSITION FROM FRS TO MFRS (CONTINUED)

(b) MFRS 1 exemption options (continued)

(ii) Exemption for fair value as deemed cost – property, plant & equipment and investment property

In accordance with the exemptions in MFRS 1, the Group elected to measure certain property, plant and equipment at fair value as at transition date as their deemed cost as at that date. The aggregate fair value and adjustments to the carrying amount reported under MFRS at transition date are as follows:

Group	Aggregate fair value RM'000	Aggregate adjustments to the carrying amount reported under MFRS RM'000
Property, plant and equipment	536,965	25,219
Investment properties	60,324	9,374
Investment in an associates*	–	(23,882)

* Fair value adjustments in respect of the associates' property, plant and equipment were reported in the associates retained earnings on the date of transition and the Group had on that date accounted for its share of the adjustment via its retained earnings accordingly.

(c) Reassessment of accounting policy

- (i) The Group and Company have also reassessed its accounting policy on reinvestment allowance. Previously, tax benefit from reinvestment allowance is recognised when the tax credit is utilised and no deferred tax asset is recognised when the tax credit is receivable. The revised accounting policy requires tax benefits from reinvestment allowance to be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The impact of the reassessment is an increase in deferred tax asset of RM100.7 million. The change has been accounted for in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors".
- (ii) An associate of the Group had also reassessed the capitalisation policy of property, plant and equipment and adjusted foreign exchange losses and deferred expenditure that were previously capitalised into certain of its property, plant and equipment. The related differences were adjusted to the associate's retained earnings and the Group had on that date accounted for its share of the differences via its retained earnings accordingly.

(d) Reclassification

In adopting the new MFRS framework, the Group had also reclassified the merger reserves balance of RM26.3 million and foreign exchange reserve balance of RM0.003 million to retained earnings. Comparatives have been restated to conform with current year presentation.

46 TRANSITION FROM FRS TO MFRS (CONTINUED)

(e) Explanation of transition from FRSs to MFRSs

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior years. The following tables represent the reconciliations from FRSs to MFRSs for the respective years noted for equity and total comprehensive income.

(i) Reconciliation of equity

Group	Note	1.1.2011 (Date of transition) RM'000	31.12.2011 RM'000
Equity as reported under FRS		1,250,193	1,382,405
Add/(Less): Transitioning adjustments:			
<u>MFRS 1 exemption options</u>	46(b)		
Fair value as deemed cost for property, plant and equipment and investment properties, net of tax of RM3.1 million (31.12.2011: RM3.9 million)		37,753	35,689
Share of associate's adjustments on application of MFRS1 exemption options		(23,882)	(23,403)
<u>Reassessment of accounting policy</u>	46(c)		
Recognition of reinvestment allowance		100,732	100,732
Share of associate's adjustments arising from reassessment of capitalisation policy of property, plant and equipment		(32,580)	(32,079)
Equity on transition to MFRS		1,332,216	1,463,344

The changes in 46(d) has no impact to equity at the date of transition and 31 December 2011.



Notes to the Financial Statements

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46 TRANSITION FROM FRS TO MFRS (CONTINUED)

(e) Explanation of transition from FRSs to MFRSs (continued)

(ii) Reconciliation of total comprehensive income

Group

	Note	31.12.2011 RM'000
Total comprehensive income as reported under FRS		207,320
Add/(Less): Transitioning adjustments:		
<u>MFRS 1 exemption options</u>	46(b)	
Depreciation change arising from use of fair value as deemed cost for property, plant and equipment and investment properties, net of tax of RM0.7 million		(2,064)
Share of associate's adjustments on application of MFRS1 exemption options		479
<u>Reassessment of accounting policy</u>	46(c)	
Share of associate's adjustments arising from reassessment of capitalisation policy of property, plant and equipment		501
Total comprehensive income upon transition to MFRS		206,236

The changes in 46(d) has no significant impact to the comparative comprehensive income.

(iii) Reconciliation of cash flows statement

The transition from FRS to MFRS has had no effect on the reported cash flows generated by the Group and the Company.

46 TRANSITION FROM FRS TO MFRS (CONTINUED)

(e) Explanation of transition from FRSs to MFRSs (continued)

(iv) Impact on the Group's statement of financial position

Balance as at 1.1.2011					
	As previously reported RM'000	Adoption of MFRS 1 exemption options Note 46(b) RM'000	Reassess- ment of accounting policy Note 46(c) RM'000	Reclassi- fication Note 46(d)/ Note 24 RM'000	As restated RM'000
Property, Plant and Equipment	728,748	25,219	–	316	754,283
Investment properties	57,850	9,374	–	(316)	66,908
Associates	212,374	(23,882)	(32,580)	–	155,912
Deferred tax assets	56,491	(13,184)	100,732	–	144,039
Deferred tax liabilities	(87,844)	16,344	–	–	(71,500)
Non-controlling interest	(23,043)	(90)	(1,247)	–	(24,380)
Foreign currency reserve	(8,011)	–	–	3	(8,008)
Revaluation reserve	(100,334)	46,767	–	–	(53,567)
Merger reserve	(26,337)	–	–	26,337	–
Accumulated losses	260,063	(60,548)	(66,905)	(26,340)	106,270

Balance as at 31.12.2011					
	As previously reported RM'000	Adoption of MFRS 1 exemption options Note 46(b) RM'000	Reassess- ment of accounting policy Note 46(c) RM'000	Reclassi- fication Note 46(d)/ Note 24 RM'000	As restated RM'000
Property, Plant and Equipment	727,087	22,020	–	316	749,423
Investment properties	55,704	9,819	–	(316)	65,207
Associates	214,501	(23,403)	(32,079)	–	159,019
Deferred tax assets	50,139	(27,898)	100,732	–	122,973
Deferred tax liabilities	(102,422)	31,748	–	–	(70,674)
Non-controlling interest	(18,567)	(62)	(1,256)	–	(19,885)
Foreign currency reserve	(8,474)	–	–	3	(8,471)
Revaluation reserve	(99,043)	46,767	–	–	(52,276)
Merger reserve	(26,337)	–	–	26,337	–
Accumulated losses	233,517	(58,991)	(67,397)	(26,340)	80,789



Notes to the Financial Statements

for the financial year ended 31 December 2012

46 TRANSITION FROM FRS TO MFRS (CONTINUED)

(e) Explanation of transition from FRSs to MFRSs (continued)

(v) Impact on the Group's profit or loss/statement of comprehensive income

	For the financial year ended 31.12.2011			
	As previously reported RM'000	Adoption of MFRS 1 exemption options Note 46(b) RM'000	Reassess- ment of accounting policy Note 46(c) RM'000	As Restated RM'000
Depreciation				
– Property, Plant and Equipment	(88,190)	(3,199)	–	(91,389)
– Investment properties	(2,208)	445	–	(1,763)
Share of results of associate	2,127	479	501	3,107
Taxation expense	(72,106)	690	–	(71,416)
Non-controlling interest	(2,012)	28	(9)	(1,993)

(vi) Impact on the Group's earnings per share

	For the financial year ended 31.12.2011			
	As previously reported	Adoption of MFRS 1 exemption options Note 46(b)	Reassess- ment of accounting policy Note 46(c)	As Restated
Basic EPS (sen)				
Net profit from continuing operations attributable to owners of the Parent	19.57	(0.15)	0.05	19.47
Net gain from subsidiaries held for sale attributable to owners of the Parent	0.21	–	–	0.21
Net profit for the financial year attributable to owners of the Parent	19.78	(0.15)	0.05	19.68
Diluted EPS (sen)				
Net profit from continuing operations attributable to owners of the Parent	18.30	(0.13)	0.04	18.21
Net gain from subsidiaries held for sale attributable to owners of the Parent	0.20	–	–	0.20
Net profit for the financial year attributable to owners of the Parent	18.50	(0.13)	0.04	18.41

47 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	2012 RM'000	2011 Restated RM'000
Retained profit of MPB (Realised)	95,007	136,847
Total accumulated losses of subsidiaries		
– Realised	(315,930)	(396,499)
– Unrealised	27,594	52,340
	(288,336)	(344,159)
Total share of (accumulated losses)/retained profits from associated companies:		
– Realised	1,726	(8,546)
– Unrealised	6,534	9,026
	8,260	480
Total Group's accumulated losses (before consolidation adjustments)	(185,069)	(206,832)
Less: Consolidation adjustments	194,761	126,043
Total Group's retained earnings/(accumulated losses) as per consolidated accounts	9,692	(80,789)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.



Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Datuk Johan Jaaffar and Dato' Amrin Awaluddin, two of the Directors of Media Prima Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 145 to 250 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the provisions of the Companies Act, 1965.

The supplementary information set out in Note 47 to the financial statements have been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 February 2013.

DATUK JOHAN JAAFFAR
CHAIRMAN

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Mohamad Ariff bin Ibrahim, the Officer primarily responsible for the financial management of Media Prima Berhad, do solemnly and sincerely declare that the financial statements set out on pages 145 to 250 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MOHAMAD ARIFF BIN IBRAHIM
GROUP CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the above named Mohamad Ariff bin Ibrahim, at Petaling Jaya, Malaysia on 20 February 2013, before me.

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the Members of Media Prima Berhad (Incorporated in Malaysia) (Company No: 532975 A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Media Prima Berhad on pages 145 to 250 which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended.



Independent Auditors' Report

to the Members of Media Prima Berhad (Incorporated in Malaysia) (Company No: 532975 A)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 26 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 on page 251 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

- 1. As stated in the Basis of Preparation to the financial statements, Media Prima Berhad adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the financial year then ended.
- 2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
(No. 2910/02/15 (J))
Chartered Accountant

Analysis of Shareholdings

as at 28 February 2013

Authorised Share Capital	RM2,000,000,000 dividend into 2,000,000,000 ordinary shares of RM1.00 each
Issued and Paid Up Share Capital	RM1,080,033,473 comprising 1,080,033,473 ordinary shares of RM1.00 each
Class of Shares	Ordinary Shares of RM1.00 each
No. of Shareholders	25,060
Voting Rights	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

as at 28 February 2013

Size of Shareholdings	No. of Shareholders	% of Shareholdings	No. of Shares	% of Issued Share Capital
1 – 99	4,940	19.71	199,161	0.02
100 – 1,000	10,646	42.48	5,260,050	0.49
1,001 – 10,000	8,130	32.44	25,349,398	2.34
10,001 – 100,000	1,076	4.30	27,211,019	2.52
100,001 to less than 5% of issued shares	265	1.06	628,367,566	58.18
5% and above of issued shares	3	0.01	393,646,279	36.45
Total	25,060	100.00	1,080,033,473	100.00

DIRECTORS' SHAREHOLDINGS

as at 28 February 2013

Name of Directors	Total Shares	%
1. Datuk Johan Bin Jaaffar	–	–
2. Dato' Amrin Bin Awaluddin	236,733	0.02
3. Dato' Sri Ahmad Farid Bin Ridzuan	460,000	0.04
4. Datuk Shahril Ridza Bin Ridzuan	–	–
5. Tan Sri Lee Lam Thye	–	–
6. Tan Sri Dato' Seri Mohamed Jawhar	–	–
7. Dato' Abdul Kadir Bin Mohd Deen	–	–
8. Dato' Gumuri Bin Hussain	–	–
9. Datuk Ahmad Bin Abd Talib, JP	64,200	0.01
10. Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	–	–
Total	760,933	0.07



Analysis of Shareholdings

as at 28 February 2013

SUBSTANTIAL SHAREHOLDERS

as at 28 February 2013

Names	No. of Issued Shares	% of Issued Shares
1. Employees Provident Fund Board	201,183,583	18.63
2. Alliancegroup Nominees (Tempatan) Sdn Bhd (Alliance Investment Management Berhad for Gabungan Kesturi Sdn Bhd)	123,024,270	11.39
3. Amanah Raya Berhad	*123,024,270	11.39
4. Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad for Altima, Inc)	88,291,671	8.17
Total	412,499,524	38.19

* Deemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd

TOP 30 SECURITIES ACCOUNT HOLDERS

as at 28 February 2013

Names	No. of Issued Shares	% of Issued Shares
1. Employees Provident Fund Board	201,183,583	18.63
2. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad for Gabungan Kesturi Sdn Bhd	123,024,270	11.39
3. Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad for Altima, Inc	88,291,671	8.17
4. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Public Regular Saving Fund (N14011940100)	45,972,620	4.26
5. Kumpulan Wang Persaraan (Diperbadankan)	45,360,200	4.20
6. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (U.K.)	26,723,313	2.47
7. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	25,574,980	2.37
8. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	17,345,700	1.61
9. Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA for Fidelity Funds Asean	16,808,800	1.56
10. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Bank Luxembourg S.A.	16,595,100	1.54
11. HSBC Nominees (Asing) Sdn Bhd BNY Brussels for Brooklawn House	16,349,357	1.51
12. Valuecap Sdn Bhd	16,014,200	1.48

TOP 30 SECURITIES ACCOUNT HOLDERS (CONTINUED)

as at 28 February 2013

Names	No. of Issued Shares	% of Issued Shares
13. Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	15,714,027	1.45
14. Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for Eastspring Investments Berhad	14,652,260	1.36
15. Pertubuhan Keselamatan Sosial	13,570,100	1.26
16. HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Saudi Arabian Monetary Agency	12,063,100	1.12
17. Amanahraya Trustees Berhad Public Growth Fund	11,645,000	1.08
18. HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Arohi Emerging Asia Master Fund	11,391,220	1.05
19. HSBC Nominees (Asing) Sdn Bhd Caceis BK FR for CG Nouvelle Asie	10,000,000	0.93
20. Amanahraya Trustees Berhad Public Equity Fund	9,554,800	0.88
21. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)	9,333,000	0.86
22. Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank For Comgest Growth Gem Promising Companies (Comgest GR PLC)	9,000,000	0.83
23. HSBC Nominees (Asing) Sdn Bhd BNY Brussels for Wisdomtree Emerging Markets Equity Income Fund	8,910,800	0.83
24. Amanahraya Trustees Berhad Public Sector Select Fund	8,377,100	0.78
25. Amanahraya Trustees Berhad Public Smallcap Fund	8,314,880	0.77
26. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	8,003,600	0.74
27. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (U.S.A)	7,971,100	0.74
28. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund NP9Q for Ontario Teachers' Pension Plan Board	7,613,700	0.70
29. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Public Aggressive Growth Fund (N14011940110)	6,200,000	0.57
30. Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Malaysia	5,899,900	0.55
Total	817,458,381	75.69



Analysis of Warrant Holdings

as at 28 February 2013

Number of Outstanding Warrants	83,276,922
Exercise Price of Warrants	RM1.80
Exercise Period of Warrants	31 December 2009 to 31 December 2014
Voting Rights at Meetings of Warrants Holders	One (1) vote per Warrant

DISTRIBUTION OF WARRANTHOLDINGS

as at 28 February 2013

Size of Shareholdings	No. of Warrant- holders	% of Warrant- holdings	No. of Warrants	% of Issued Warrants Capital
1 – 99	20,724	82.96	477,425	0.57
100 – 1,000	3,453	13.82	1,080,925	1.30
1,001 – 10,000	601	2.41	1,903,236	2.29
10,001 – 100,000	158	0.63	4,804,728	5.77
100,001 to less than 5% of issued warrants	43	0.17	22,401,081	26.90
5% and above of issued warrants	2	0.01	52,609,527	63.17
Total	24,981	100.00	83,276,922	100.00

DIRECTORS' WARRANTHOLDINGS

as at 28 February 2013

Name of Directors	Total Warrants	%
1. Datuk Johan Bin Jaaffar	–	–
2. Dato' Amrin Bin Awaluddin	5,400	0.01
3. Dato' Sri Ahmad Farid Bin Ridzuan	5,428	0.01
4. Datuk Shahril Ridza Bin Ridzuan	–	–
5. Tan Sri Lee Lam Thye	–	–
6. Tan Sri Dato' Seri Mohamed Jawhar	–	–
7. Dato' Abdul Kadir Bin Mohd Deen	–	–
8. Dato' Gumuri Bin Hussain	–	–
9. Datuk Ahmad Bin Abd Talib, JP	–	–
10. Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	–	–
Total	10,828	0.02

SUBSTANTIAL WARRANTHOLDERS

as at 28 February 2013

Names	Number of Warrants	%
1. Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad for Altima, Inc)	27,509,927	33.03
2. Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad for Lagmuir Holdings Ltd)	25,099,600	30.14
Total	52,609,527	63.17

TOP 30 WARRANTHOLDERS

as at 28 February 2013

Names	Warrantholding	%
1. Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad for Altima, Inc	27,509,927	33.03
2. Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad for Lagmuir Holdings Ltd	25,099,600	30.14
3. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad for Gabungan Kesturi Sdn Bhd	3,515,144	4.22
4. Amanahraya Trustees Berhad for PB China Asean Equity Fund	2,364,600	2.84
5. ECML Nominees (Tempatan) Sdn Bhd Account for Chye Ao Hsiang	1,878,600	2.26
6. HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for The Gilpin Fund Limited	1,654,900	1.99
7. Toh Yew Keong	1,173,167	1.41
8. Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for Eastspring Investments Berhad	1,108,477	1.33
9. Dushyanthi Perera	900,000	1.08
10. Alliancegroup Nominees (Tempatan) Sdn Bhd Account for Lee Cheng Chuan (8057815)	837,300	1.01
11. ECML Nominees (Tempatan) Sdn Bhd Account for Gan Eng Liong	806,100	0.97
12. Amanahraya Trustees Berhad Public Smallcap Fund	761,940	0.91
13. HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (U.K.)	594,103	0.71



Analysis of Warrant Holdings

as at 28 February 2013

TOP 30 WARRANTHOLDERS (CONTINUED)

as at 28 February 2013

Names		Warrantholding	%
14.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	511,420	0.61
15.	Maybank Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For CIMB-Principal Strategic Bond Fund (290077)	445,100	0.53
16.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Arohi Emerging Asia Master Fund	394,037	0.47
17.	Tan Lee Hwa	390,000	0.47
18.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Mohammed Amin Bin Mahmud (MM1004)	386,356	0.46
19.	HLIB Nominees (Tempatan) Sdn Bhd Account for Lim Boon Chen (CCTS)	304,400	0.37
20.	Amanahraya Trustees Berhad PB Asia Equity Fund	271,000	0.33
21.	Affin Nominees (Tempatan) Sdn Bhd Account for Ong Aik Lin (ONG1097M)	231,428	0.28
22.	Toh Yew Keong	230,000	0.28
23.	ECML Nominees (Tempatan) Sdn Bhd Account for Cheong Chen Yue	225,600	0.27
24.	AIBB Nominees (Tempatan) Sdn Bhd Account for Cheong Chen Yue	210,000	0.25
25.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (H)	208,081	0.25
26.	RHB Nominees (Tempatan) Sdn Bhd Account for Ong Aik Lin	205,000	0.25
27.	Affin Nominees (Tempatan) Sdn Bhd Account for How Kim Lian (HOW0113M)	198,285	0.24
28.	Muhammad Muzhafar Bin Mohd Mukhtar	194,600	0.23
29.	Lim Jit Hai	190,001	0.23
30.	Affin Nominees (Tempatan) Sdn Bhd Account for How Kim Lian (HOW0026C)	180,000	0.22
Total		72,979,166	87.63

List of Properties Held by the Group and Usage of Properties

as at 31 December 2012

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Lot 2494, Mukim Peringat Daerah Peringat Kampung Parit Kota Bharu, Kelantan	Freehold	–	16-Aug-87	0.7039 ha	Television transmission station	22	180,655
Lot 374, Block 12 Miri Concession Land District Km 3, Jalan Miri-Bintulu Miri, Sarawak	Leasehold	60 years Expiry: 2053	08-Apr-93	0.4815 ha	Television transmission station	17	102,955
Pandan Ville Condominium Block B Jalan Pandan Indah 1/16 Pandan Indah 55100 Kuala Lumpur	Leasehold	99 years Expiry: 2091	1-Oct-01	3 units x 1,587 sq ft	Condominium	13	518,930
Pangsapuri Greenpark Block B Jalan Awan Pintal Pangsapuri Taman Hijau 58200 Kuala Lumpur	Freehold	–	25-Jun-96	1,232 sq ft	Condominium	11	163,608
Sri Intan Condominium No. 2, Jalan Terolak 6 Off Jalan Batu 5 Jalan Ipoh 51200 Kuala Lumpur	Freehold	–	21-Aug-96	2 units x 2,220 sq ft	Condominium	12	696,096
Commerce Square Batu 10 Jalan Kelang Lama SS8/1 Petaling Jaya Selatan Mukim Damansara Petaling, Selangor	Leasehold	99 years Expiry: 2091	30-May-01	1 unit x 2,963 sq ft 1 unit x 3,130 sq ft	Commercial building Commercial building	11 11	1,232,727
Lembah Beringin P.T. No. 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 43,560 sq ft	Residential land	10	130,000
Lembah Beringin P.T. No. 2134 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 53,561 sq ft	Residential land	10	149,721
Lembah Beringin Lot No. 60 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	21-Sep-04	1 unit x 10,934 sq ft	Residential land	5	112,142



List of Properties Held by the Group and Usage of Properties

as at 31 December 2012

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Lembah Beringin Lot No. 61 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	21-Sep-04	1 unit x 10,955 sq ft	Residential land	5	112,415
Putrajaya Precinct 8 Phase 5A, Unit C-3A-3A Level 4 (Tingkat 3), Block C Pusat Pentadbiran Kerajaan Persekutuan Putrajaya	Freehold	–	22-Dec-00	1,351 sq ft	Commercial building	9	117,119
Unit No. C 102 Jalan Seksyen 3/3 Seksyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	–	14-May-04	942 sq ft	Apartment	5	108,070
Summerset Resort Unit No: D120 Unit No: D124 Unit No: GS-01-11 Unit No: D108 Mukim Rompin Daerah Rompin Negeri Pahang	Leasehold	99 years Expiry: 2094	12-Dec-02 12-Dec-02 12-Dec-02 04-May-04	1,455 sq ft 1,455 sq ft 377 sq ft 1,500 sq ft	Holiday Bungalow Holiday Bungalow Studio Holiday Bungalow	7 7 7 5	282,794 260,772 124,495 293,111
Lot No. 2344/45 Puncak Alam Mukim of Jeram, Selangor	Freehold	–	09-Aug-06	4,292 sq ft	Double storey terrace	3	257,536
Glomac City Sdn Bhd D-09-2, Plaza Glomac No. 6 Jalan SS 7/19 Kelana Jaya, 47301 PJ	Leasehold	99 years Expiry: 2103	01-Jun-09	1,292 sq ft	1 unit shop office	3	398,485
Lot 2B-4-20 & 2B-4-21 Kompleks Tun Abdul Razak Geogetown, Penang	Leasehold	99 years Expiry: 2093	31-May-95	7,316 sq ft	Cineplex	14	1
Damai Laut Holiday Apartments Lot F2-01-03A & Lot F2-GF-03A Jalan Titi Panjang 32200 Lumut, Perak	Freehold	–	05-Aug-97	2 lots x 981 sq ft	Apartment	11	2

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Lot No. 2.30	Leasehold	99 years	15-Sep-04	603.88 mts	Commercial building	5	1
Lot No. 2.31	Leasehold	Expiry: 2093	15-Sep-04	603.88 mts	Commercial building	5	1
Lot No. 2.32	Leasehold		15-Sep-04	596.99 mts	Commercial building	5	1
Summit Centre Shopping Complex Mines Wonderland Seri Kembangan Petaling, Selangor							
Lot 159 & 160 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam Selangor	Freehold	–	12-Nov-96	80,063 sq ft	Commercial land	–	7,093,700
Lot 7/9 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam Selangor	Freehold	–	12-Nov-96	7,562 sq ft	Commercial building	–	6,961,842
No. 9-2b, Jalan Desa 9/4 Bandar Country Homes 48000 Rawang, Selangor	Freehold	–	28-Dec-98	695 sq ft	Office unit	11	39,191
31, Jalan Riong Off Jalan Bangsar Kuala Lumpur	Freehold	–	1972	7,820 sq mts	Head Office and printing plant	39	7,972,847
9, Jalan Liku Kuala Lumpur	Freehold	–	1986	6,900 sq mts	Printing plant extension	20	53,411,879
Lot No. 323, 324 & 325 Jln Bangsar Utama 1 Bangsar Utama 59000 Kuala Lumpur	Leasehold	99 years Expiry: 2085	1994	1,859 sq mts	5-storey shop office	25	10,241,548
No. 16, Jln U8/88 Bukit Jelutong Ind. Park 40000 Shah Alam, Selangor	Freehold	–	1995	141,691 sq mts	Regional printing plant	11	101,232,786
24, Jln SS2/61 Petaling Jaya, Selangor	Freehold	–	1981	565 sq mts	3½-storey shophouse	30	3,260,000
No. 9, Jln Pulau Pinang 2 Newcity Business Centre Meru, Klang, Selangor	Freehold	–	1996	766 sq mts	4½-storey shop office	15	780,343



List of Properties Held by the Group and Usage of Properties

as at 31 December 2012

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Lot 33, Jln Sultan Mohamed 1 Jln Lebu 1 Kaw. Perindustrian Bandar Sultan Sulaiman Pelabuhan Klang Utara Klang, Selangor	Leasehold	99 years Expiry: 2091	1991	12,746 sq mts	Warehouse	20	12,970,605
Leisure Commerce Square Blk B-3A-02, 04, 05, 06 07, 08, 10, 12 & 14 Jalan PJS 8/9, Petaling Jaya Selangor	Leasehold	99 years Expiry: 2095	1999	715 sq mts	Office space	12	1,600,435
Leisure Commerce Square Blk A-04-01 & 02 Jalan PJS 8/9, Petaling Jaya Selangor	Leasehold	99 years Expiry: 2095	1999	360 sq mts	Office space	12	755,788
GG P5, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry: 2088	2002	130 sq mts	Townhouse	9	290,000
SG P2, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry: 2088	2002	130 sq mts	Townhouse	9	327,419
Lot 1.65-1.68, 1.70-1.73 Lot K1.01 & K1.04 South City Plaza Seri Kembangan, Selangor	Leasehold	99 years Expiry: 2093	1997 2001	439 sq mts 36 sq mts	Retail Shoplots Retail Kiosk	14	1,151,566
Lot No. 058, Phase 4B Bandar Tasik Kesuma 43700 Beranang, Selangor	Freehold	–	2004	1,468 sq mts	Single storey house	7	167,455
Unit B-3-12, Fasa 3C Pesona Apartment Jln Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	–	2000	100 sq mts	Walk-up apartment	11	122,384
Unit B-3-12A, Fasa 3C Pesona Apartment Jln Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	–	2000	96 sq mts	Walk-up apartment	11	117,642
Lot 322 & 323 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold	99 years Expiry: 2039	1978	14,600 sq mts	Regional printing plant	33	1,607,698

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Mukim 1, Kawasan Perusahaan Prai, Seberang Prai Pulau Pinang	Leasehold	99 years Expiry: 2035	1998	8,100 sq mts	Regional printing plant	11	17,305,982
No. 33 Jln Sultan Ahmad Shah Pulau Pinang	Freehold	–	1992	657 sq mts	2½-detached office block	19	6,435,484
Lot T2 & T3, Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry: 2043	1978	73,700 sq mts	Regional printing plant	32	4,185,711
Lot PL02, Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry: 2043	1997	62,560 sq mts	Regional printing plant extension	14	20,071,787
Lot 11141 Tampoi Commercial Centre Johor Bahru, Johor	Leasehold	99 years Expiry: 2081	1990	830 sq mts	3-storey shophouse	21	947,535
Kawasan Perindustrian Ajil Hulu Terengganu, Terengganu	Leasehold	60 years Expiry: 2057	1998	58,436 sq mts	Regional printing plant	11	26,774,111
No. 1107-U, Jln Pejabat Kuala Terengganu, Terengganu	Freehold	–	1981	452 sq mts	3-storey shophouse	30	1,277,000
235, Jln Taman Taman Melaka Raya, Melaka	Leasehold	99 years Expiry: 2075	1981	381 sq mts	3-storey shophouse	30	920,769
No. 89, Jalan Toman 5 Kemayan Square Off Jalan Sg. Ujong, Seremban Negeri Sembilan	Freehold	–	1997	699 sq mts	3-storey corner shophouse	14	566,667
Lot 1024, Mukim Sri Rusa Bt. 8 3/4, Jln Pantai Teluk Kemang, Port Dickson Negeri Sembilan	Freehold	–	1990	5,974 sq mts	3-storey condominium with training and recreation facility	20	4,647,906
29A, B & C, Jln Hussein Ipoh, Perak	Freehold	–	1980	850 sq mts	4½-storey shop house	31	549,474
Lot G-14, Bangunan Sri Kinta Ipoh, Perak	Freehold	–	1982	420 sq mts	Ground floor, 13-storey complex	29	633,333
No. 1, Lorong Rusa 1 Off Jln Bukit Ubi, Kuantan Pahang	Freehold	–	1980	576 sq mts	4-storey shophouse	31	563,158
Lot No. 219, Muar Cottage Lady Maxwell Road Fraser's Hill, Pahang	Freehold	–	1979	2,651 sq mts	Holiday Bungalow	32	555,970
Lot 9, Taman Kayangan Fraser's Hill, Pahang	Leasehold	Expiry: 2051	1990	4,103 sq mts	Vacant land	–	94,872



List of Properties Held by the Group and Usage of Properties

as at 31 December 2012

Location	Type	Tenure	Date of Acquisition	Area	Usage	Approximate Age of Buildings (Years)	Net Book Value (RM) 2012
Lot 78, Tingkat Bawah Kompleks Alor Setar Alor Setar, Kedah	Leasehold	99 years Expiry: 2083	1988	101 sq mts	Ground Floor, 3-storey shophouse	23	193,548
Lot 79, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	99 years Expiry: 2083	1986	130 sq mts	3-storey shophouse	25	403,630
Lot 80, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	Expiry: 2083	1986	499 sq mts	3-storey shophouse	25	641,915
2153, Taman Abd. Aziz Alor Setar, Kedah	Freehold	–	1981	218 sq mts	2-storey shophouse	30	211,700
Lot 184, Jln Kuala Krai Kota Bharu, Kelantan	Leasehold	Expiry: 2061	1995	520 sq mts	3½-storey shophouse	16	845,490
Lot 65, Block G, Asia City Kota Kinabalu, Sabah	Freehold	–	1996	446 sq mts	4-storey shophouse	15	1,272,857
Lok Kawi, District of Papar Kota Kinabalu, Sabah	Leasehold	Expiry: 2042	1996	10,411 sq mts	Vacant land – Proposed for printing plant	–	1,309,677
Lot 8130, Block 64 Kuching, Sarawak	Leasehold	Expiry: 2047	1996	457 sq mts	4-storey shophouse	15	647,973
7, Wyndham Mews London W1	Freehold	–	1979	–	Residential house	32	5,426,435
108, Whitehall Court London SW1	Leasehold	Expiry: 2086	1976	–	Apartment	35	3,772,949

Corporate Information

BOARD OF DIRECTORS

Datuk Johan Bin Jaaffar*
Chairman

Dato' Amrin Bin Awaluddin
Group Managing Director

Dato' Sri Ahmad Farid Bin Ridzuan

Datuk Shahril Ridza Bin Ridzuan***

Tan Sri Lee Lam Thye***

Tan Sri Dato' Seri Mohamed Jawhar*

Dato' Abdul Kadir Bin Mohd Deen*

Dato' Gumuri Bin Hussain*

Datuk Ahmad Bin Abd Talib, JP

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor**

* Independent Non-Executive Director

** Senior Independent Non-Executive Director

*** Non-Independent Non-Executive Director

AUDIT COMMITTEE MEMBERS

Chairman

Dato' Gumuri Bin Hussain*

Members

Tan Sri Lee Lam Thye***

Tan Sri Dato' Seri Mohamed Jawhar*

Dato' Abdul Kadir Bin Mohd Deen*

* Independent Non-Executive Director

*** Non-Independent Non-Executive Director

COMPANY SECRETARIES

Jessica Tan Say Choon
(MAICSA 7057849)

Tasneem Mohd Dahalan
(LS 6966)

REGISTERED OFFICE

Media Prima Berhad
Sri Pentas
No 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
Tel: 03 7726 6333
Fax: 03 7728 0787

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03 7841 8000/7849 0777
Fax: 03 7841 8151/8152

AUDITORS

PricewaterhouseCoopers
Level 10, 1 Sentral Jalan Travers
Kuala Lumpur Sentral
P. O. Box 10192
50706 Kuala Lumpur
Tel: 03 2173 1188
Fax: 03 2173 1288

SOLICITORS

M/s TH Liew & Partners
Advocates & Solicitors
Level 3, Block B
Plaza Damansara
No. 45, Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel: 03 2089 5000
Fax: 03 2089 5001

M/s Raja Riza & Associates
Advocates & Solicitors
Suite 11-3A, Level 11
Wisma UOA II
No. 21, Jalan Pinang
50450 Kuala Lumpur
Tel: 03 2711 8118
Fax: 03 2163 3464

BANKER

Malayan Banking Berhad
No 2, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03 7727 9459
Fax: 03 7729 2770

MEDIA PRIMA BERHAD

Datuk Johan Jaaffar
Chairman

Dato' Amrin Awaluddin
Group Managing Director

Ahmad Izham Omar
Chief Executive Officer
Television Networks

Mohamad Ariff Ibrahim
Group Chief Financial Officer

Datuk Ahmad Bin A. Talib, JP
Executive Director
News and Editorial Operations

Datuk Shahrudin Abd. Latif
Group Managing Editor,
News & Current Affairs
TV & Radio Networks

Datuk Mohd Ashraf Abdullah
Deputy Group Managing Editor
News & Current Affairs
TV & Radio Networks

Dato' Manja Ismail
Group Editor, News & Current Affairs
TV & Radio Networks

Sofwan Mahmood
Group General Manager
News Operations
TV & Radio Networks



Corporate Information

Datuk Kamal Khalid
Chief Operating Officer
Group Shared Services

Dato' Zainul Arifin Mohammed Isa
Chief Operating Officer
Media Prima Digital

Seelan Paul
Chief Executive Officer
Radio Networks and
Chief Strategy Officer
Television Networks

Shareen Ooi Bee Hong
Group Chief Marketing Officer
Media Prima Berhad

Zuraidah Atan
Group Chief Technology Officer

Zafrul Shastri Hashim
Group General Manager
Group Legal & Secretarial

Jessica Tan Say Choon
Group Company Secretary

Sere Mohammad Mohd Kasim
Group General Manager
Group Corporate Governance

Mohd Hisham Md Shazli
Group General Manager
Group Risk Management

Nor Arzlin Redzwan
Group General Manager
Group Human Resources

Mastura Adnan
Group General Manager
Group Corporate Communications

Tuan Hj Zulkifli Hj Mohd Salleh
Group General Manager
Group Stakeholder Management &
Regulatory Affairs

Laili Hanim Mahmood
Group General Manager
Stakeholder Management &
Regulatory Affairs
Television Networks

Nadhirah Abdullah @ Dorothy Ak Empam
Group General Manager
Client Services
Television Networks

Fatima Mustafa
General Manager
Client Services, TV3 & TV9
Television Networks

Goh Hin San
Advisor
Chairman's Office

Dr Ahmad Zaki Mohd Salleh
Group General Manager
Engineering
Television Networks

Abdul Rashid Malik Khushi Muhammad
Group General Manager
Airtime Management Group
Television Networks

Datin Nyarose Mohd Jaafar
General Manager
Management Services

Shariman Zainal Abidin
General Manager
Chairman's Office

Suhaimi Sheikh Muhamad
General Manager
Corporate Finance
Media Prima Digital

Aiza Azreen Ahmad
General Manager
Business Process Improvement
& Transformation

Rosli Sabarudin
General Manager
Finance
Treasury & Financial Operations

Farnida Ngah
General Manager
Finance
Group Financial Reporting
& Tax Planning

Cheah Cheng Imm
General Manager
Acquisition & Content Management
Television Networks

Marzina Ahmad
General Manager
Research

Halim Mas'od
General Manager
Project Management
Television Networks

Nini Yusof
General Manager
Creative Marketing & Communications
Television Networks

Johary Salleh Abd Rahim
General Manager
Pay Channel & IPTV

SISTEM TELEVISYEN MALAYSIA BERHAD

Sherina Mohamad Nordin
Group General Manager
TV3 & TV9

Siti Nurlisia Mohd Nadzri
General Manager, Programming
TV3

CH-9 MEDIA SDN BHD

Sherina Mohamad Nordin
Group General Manager
TV3 & TV9

Zurina Othman
General Manager
TV9

NATSEVEN TV SDN BHD

Nur Airin Zainul
Group General Manager
ntv7 & 8tv

Emilya Suzana Ab. Rahim
General Manager
Brand Management Group
Brand Communications
Special Projects & Events

Lai Cheah Yee
Manager, Chinese Brand

METROPOLITAN TV SDN BHD

Nur Airin Zainul
Group General Manager
ntv7 & 8tv

Goh Ling Ling
General Manager
Brand Management Group
Brand Communications

PRIMEWORKS STUDIOS SDN BHD

Ahmad Izham Omar
Chief Executive Officer

Azhar Borhan
General Manager
Business Development & Operations

Abdull Aziz Ismail
General Manager
Magazine & Documentary

Tengku Iesta Tengku Alaudin
General Manager
Film, Studio Business & Corporate
Affairs

Mas Ayu Ali
General Manager
Chinese Entertainment

Mohd Zulkifli Abd Jalil
General Manager
New Media

Douglas Khoo Hong Seng
Creative Director
Creative Services

Sunil Kumar
General Manager
Entertainment & Musical

Hemanathan Paul
General Manager
Entertainment, Drama & Sports

Datin Jacynta Au Yong Yim San
Manager
Artistes & Talent Management

SYNCHRO SOUND STUDIO SDN BHD/MAX-AIRPLAY SDN BHD/ONE FM SDN BHD

Seelan Paul
Chief Executive Officer
Radio Networks

Anida Mohd Tahrir
Group General Manager
Radio Networks

Mohd Akhmal Andak
Manager
Network Engineering

Elaine Lee Yee Lim
Head
Marketing

MEDIA PRIMA DIGITAL

Dato' Zainul Arifin Mohammed Isa
Chief Operating Officer

Lam Swee Kim
Group General Manager

Paul Moss
General Manager
Broadcast

BIG TREE OUTDOOR SDN BHD

Jeff Cheah See Heong
Chief Executive Officer

Mohamad Shukor Ariffin
General Manager
Operations

Nuraini Hamid
Head
Finance

Shirley Gan
General Manager
Human Resource & Corporate
Services

KURNIA OUTDOOR SDN BHD

Alex Yew Wai Sung
Director
Operations

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Mohammad Azlan Abdullah
Chief Executive Officer

Datuk Abdul Jalil Hamid
Group Managing Editor/Group Editor
New Straits Times

Datuk Mior Kamarul Shahid
Group Editor
Berita Harian

Datuk Mustapa Omar
Group Editor
Harian Metro

Abd Wahab Mohamad
Director
Properties, Administration & Branch
Operation and Human Capital

Dr. Rodaina Ibrahim
Director
Information Technology

Aszman Kasmani
General Manager
Production

Abdul Hamid Abdullah
General Manager
Finance

Jeannie Leong Lee Eu
General Manager
Advertising Sales

Mohd Azrai Ariffin
General Manager
Circulation

Putri Shireen Syed Othman
General Manager
Marketing



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the

TWELFTH (12TH) ANNUAL GENERAL MEETING OF MEDIA PRIMA BERHAD

("the Company") will be held at the Mutiara Grand Ballroom, Ground Floor, The Royale Bintang Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Tuesday, 23 April 2013 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2012 and Reports of the Directors and Auditors thereon.
(Resolution 1)
2. To approve a final single tier dividend of 7.0 sen per ordinary share for the financial year ended 31 December 2012.
(Resolution 2)
3. To re-elect the following Directors who retire in accordance with Articles 100 and 101 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (i) Dato' Abdul Kadir Bin Mohd Deen
(Resolution 3)
 - (ii) Tan Sri Lee Lam Thye
(Resolution 4)
4. To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2012.
(Resolution 5)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to determine their remuneration.
(Resolution 6)

6. AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions and Special Resolution with or without modifications:-

Ordinary Resolutions

(A) Redesignation and retention of Independent Director

"THAT pursuant to Recommendation 3.3 of the Malaysian Code On Corporate Governance 2012, Tan Sri Lee Lam Thye who has served the Board as an Independent Non-Executive Director of the Company for a term of nine years since 18 August 2003 be and is hereby redesignated and retained as an Independent Non-Executive Director of the Company."
(Resolution 7)

(B) Proposed Renewal of Share Buy-Back Authority

"THAT, subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant government and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company ("Proposed Share Buy-back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of Shares to be purchased pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the Company's retained profits and/or share premium of the Company be allocated by the Company for the Proposed Share Buy-Back;

THAT at the discretion of the Directors, upon such purchase by the Company of its own shares, the purchased shares will be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

THAT the directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with

full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements or any other relevant authorities."

(Resolution 8)

Special Resolution

(C) Proposed Amendments to the Articles of Association of the Company

"THAT the proposed amendments to the existing Articles of Association of the Company as set out in Part B of the Statement to Shareholders dated 1 April 2013 be and are hereby approved and adopted.

AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendments to the Articles of Association of the Company."

(Resolution 9)

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 1965 and the Company's Articles of Association.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend at this 12th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 62 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 April 2013. Only a depositor whose name appears on the Record of Depositors as at 16 April 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend of 7.0 sen per ordinary share for the financial year ended 31 December 2012, if approved by the shareholders at the Twelfth (12th) Annual General Meeting, will be paid on 28 June 2013 to Depositors whose names appear in the Record of Depositors at the close of business on 7 June 2013.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a. shares transferred into the Depositor's Securities Account before 4.00 p.m. on 7 June 2013 in respect of transfers;
- b. shares deposited into the Depositor's Securities Account before 12.30 p.m. on 5 June 2013 in respect of shares exempted from mandatory deposit; and
- c. shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
TASNEEM MOHD DAHALAN (LS 6966)
 Company Secretaries

Petaling
 Date: 1 April 2013



Notice of Annual General Meeting

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Explanatory Notes on Special Business:

a. Ordinary Resolution 7 – Redesignation and retention of Tan Sri Lee Lam Thye as Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

The Nomination Committee has assessed the independence of Tan Sri Lee Lam Thye, who has served as an Independent Non-Executive Director of the Company for a term of nine years, and recommended him to continue to act as an Independent Non-Executive Director of the Company on the following justifications:

- i. He fulfills the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Malaysia Securities Berhad and he is able to provide proper checks and balances thus bring an element of objectivity to the Board of Directors.
- ii. Tan Sri Lee Lam Thye has vast experience in a diverse range of businesses and has an unerringly acute understanding of the socio-economic infrastructure of the nation. He currently serves as the Chairman of the National Institute of Occupational Safety & Health under the Ministry of Human resource. He is also the Chairman of the SP Setia Foundation and Vice Chairman of the Malaysia Crime Prevention Foundation. Previously he served as a Member of the Special Royal Commission, set up to enhance the operations and Management of the Royal Malaysian Police. He was also Chairman of the National Service Training Council and a former Member of the Malaysian Human Rights Commission. Before retiring from politics in 1990, Tan Sri Lee Lam Thye served as the State Legislative Assemblyman for Bukit Nenas, Selangor from 1969 to 1974 and from 1974 to 1990 as the Member of Parliament for Bandar Kuala Lumpur/Bukit Bintang.

YBhg Tan Sri Lee Lam Thye is a highly regarded social activist in the country with experience in broad areas of social services and community welfare. Based on this and his vast networking throughout the years, Tan Sri has been able to provide constructive opinions and exercise independent judgment and has the ability to act in the best interest of the Company.
- iii. He has always actively participated in Board and Board Committees discussions and has continuously provided an independent view to the Board.
- iv. He has the calibre, qualifications, experiences and personal qualities to consistently challenge management in an effective and constructive manner.

b. Ordinary Resolution 8

Please refer to Part A of the Statement to Shareholders dated 1 April 2013 for further information.

c. Special Resolution 9

Please refer to Part B of the Statement to Shareholders dated 1 April 2013 for further information.

Statement Accompanying Notice of Annual General Meeting

Directors who are standing for re-election and re-appointment at the Twelfth (12th) Annual General Meeting of Media Prima Berhad are:-

- (i) Dato' Abdul Kadir Bin Mohd Deen **(Resolution 3)**
- (ii) Tan Sri Lee Lam Thye **(Resolution 4)**

The details of the above Directors who are seeking re-election and re-appointment are set out in the "Board of Directors Profiles" which appear from pages 90 to 94 of the Annual Report.

Dato' Sri Ahmad Farid Bin Ridzuan who is due to retire at the 12th Annual General Meeting, has opted not to offer himself for re-election.

The details of Directors' securities holdings in the Company are set out in the "Statement of Directors' Interests" which appear on pages 255 and 258 of the Annual Report.



Financial Calendar

23 FEBRUARY 2012

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2011.

26 MARCH 2012

Announcement of a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011.

27 MARCH 2012

Issuance of the Notice of the 11th AGM together with the Annual Report for the financial year ended 31 December 2011 and Statement to Shareholders on renewal of Share Buy-Back Authority.

19 APRIL 2012

11th AGM of the Company.

16 MAY 2012

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2012.

15 JUNE 2012

Date of entitlement to the final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011.

13 JULY 2012

Date of payment of the final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011.

14 AUGUST 2012

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2012 and declaration of a single-tier first interim dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2012.

5 SEPTEMBER 2012

Date of entitlement to the single-tier first interim dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2012.

28 SEPTEMBER 2012

Date of payment of the single-tier first interim dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2012.

22 NOVEMBER 2012

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2012 and declaration of a single-tier second interim dividend of 3.0 sen per share for the financial year ended 31 December 2012.

7 DECEMBER 2012

Date of entitlement to the single-tier second interim dividend of 3.0 sen per share for the financial year ended 31 December 2012.

28 DECEMBER 2012

Date of payment of the single-tier second interim dividend of 3.0 sen per share for the financial year ended 31 December 2012.

2013

20 FEBRUARY 2013

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2012.

29 MARCH 2013

Announcement of a proposed final single-tier dividend of 7.0 sen per share for the financial year ended 31 December 2012.

1 APRIL 2013

Issuance of the Notice of the 12th AGM together with the Annual Report for the financial year ended 31 December 2012 and Statement to Shareholders.

23 APRIL 2013

12th AGM of the Company.

7 JUNE 2013

Date of entitlement to the proposed final single-tier dividend of 7.0 sen per share for the financial year ended 31 December 2012.

28 JUNE 2013

Date of payment of the proposed final single-tier dividend of 7.0 sen per share for the financial year ended 31 December 2012.

Proxy Form

 I/We _____
 (Full Name as per NRIC/Certificate of Incorporation in Capital Letters)

Company No./NRIC No. (new) _____ (old) _____

 of _____
 (Full Address)

being a member of MEDIA PRIMA BERHAD hereby appoint:

_____ NRIC No. (new) _____ (old) _____

or failing him/her _____ NRIC No. (new) _____ (old) _____

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Twelfth (12th) Annual General Meeting of the Company to be held at Mutiara Grand Ballroom, Ground Floor, The Royale Bintang Damansara, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia on Tuesday, 23 April 2013 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of 12th AGM. My/our proxy is to vote as indicated below:-

NO.	RESOLUTION		FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2012 and Reports of the Directors and Auditors thereon	Resolution 1		
2.	To approve a final single-tier dividend of 7.0 sen per ordinary share for the financial year ended 31 December 2012	Resolution 2		
To re-elect the following Directors under Articles 100 and 101:-				
3.	Dato' Abdul Kadir Bin Mohd Deen	Resolution 3		
4.	Tan Sri Lee Lam Thye	Resolution 4		
5.	To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2012	Resolution 5		
6.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to determine their remuneration	Resolution 6		
AS SPECIAL BUSINESS:-				
Ordinary Resolution				
7.	To redesignate and retain Tan Sri Lee Lam Thye as Independent Non-Executive Director	Resolution 7		
8.	Proposed Renewal of Share Buy-Back Authority	Resolution 8		
Special Resolution				
9.	Proposed Amendments to the Articles of Association of the Company	Resolution 9		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Dated this _____ day of _____ 2013

Number of shares held

Signature(s)/Common Seal of Member(s)

Notes:

- Only depositors whose names appear in the Records of Depositors as at 16 April 2013 shall be regarded as members and be entitled to attend and vote at the Twelfth (12th) Annual General Meeting.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
- The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- Explanatory Notes on Special Business:
 - Resolution 7:**
Redesignation and retention of Tan Sri Lee Lam Thye as Independent Non-Executive Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012.
 - Resolution 8:**
Please refer to Part A of the Statement to Shareholders dated 1 April 2013 for further information.
 - Resolution 9:**
Please refer to Part B of the Statement to Shareholders dated 1 April 2013 for further information.

MEDIA PRIMA BERHAD

C/O REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor, Malaysia

STAMP

MEDIA PRIMA BERHAD

Sri Pentas, No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7726 6333
Fax : +603-7727 3014
Email : communications@mediaprima.com.my
Website : www.mediaprima.com.my

CH-9 MEDIA SDN BHD

Sri Pentas, 2nd Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7952 7999
Fax : +603-7952 7819/7809
Website : <http://www.tv9.com.my>

SISTEM TELEVISYEN MALAYSIA BERHAD

Sri Pentas, No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
(Mailbox 11124, 50736 KL)

Telephone : +603-7726 6333
Fax : +603-7726 8455
Email : enquiries@tv3.com.my
Website : <http://www.tv3.com.my>

METROPOLITAN TV SDN BHD

Sri Pentas, 3rd Floor, South Wing
No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7728 8282
Fax : +603-7726 8282
Website : <http://www.8tv.com.my>

NATSEVEN TV SDN BHD

Sri Pentas, No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7726 8777
Fax : +603-7728 0219
Email : feedback@ntv7.com.my
Website : <http://www.ntv7.com.my>

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Selangor Darul Ehsan

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Fax : +603-7710 7098
Website : <http://www.hotfm.com.my>
<http://www.flyfm.com.my>
<http://www.onefm.com.my>

PRIMEWORKS STUDIOS SDN BHD

Sri Pentas, 1st Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7726 6333
Fax : +603-7710 1333
Website : <http://www.primeworks.com.my>

ALT MEDIA SDN BHD

Sri Pentas, 3rd Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7726 6333
Fax : +603-7710 3876
Email : contactus@gua.com.my
Website : <http://www.gua.com.my>

BIG TREE OUTDOOR SDN BHD

Lot 1.06, 1st Floor, KPMG Tower, 8, First Avenue
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7729 3889
Fax : +603-7729 3999
Website : <http://www.bigtreeoutdoor.com>

KURNIA OUTDOOR SDN BHD

Lot 1.06, 1st Floor, KPMG Tower, 8, First Avenue
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan

Telephone : +603-7727 1177
Fax : +603-7729 3999
Website : <http://www.kurniaoutdoor.com>

MEDIA PRIMA BERHAD (532975 A)

SRI PENTAS, NO. 3, PERSIARAN BANDAR UTAMA

BANDAR UTAMA, 47800 PETALING

SELANGOR DARUL EHSAN, MALAYSIA

www.mediaprima.com.my